

LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRATIC UNITY PROSPERITY



# Ministry of Agriculture and Forest Poverty Reduction Fund

## **Annual Progress Report** (October 2015 – September 2016)

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November 2016

## Abbreviations

AF	Additional Finance
BOQ	Bill of Quantities
DAFO	District Agriculture and Forestry Office
DFAT	Australian Department of Foreign Affairs and Trade
DRM	Disaster Risks Management
CDD	Community Driven Development
CD	Community Development
CLTS	Community-led Total Sanitation
CRPF	Compensation and Resettlement Policy Framework
DDM	District Development Meeting
Deepen CDD	Deepen Community Driven Development
DOI	Department Of Irrigation
DRM	Disaster Risks Management
ECOP	Environmental Code of Practices
EGPF	Ethnic Group Planning Framework
EMP	Environmental Monitoring Plan
EMR	Environmental Monitoring Report
FA	Finance and Administration
FIP	Family Implementation Plan
FM	Financial Management
FRM	Feedback and Resolution Mechanism
FY	Fiscal Year
GESI	Gender Equality and Social Inclusion
GIS	Geographic Information System
GOL	Government of Laos
HE	His Excellency
HHS	Households
HR	Human Resource
IAU	Internal Audit Unit
ICR	Implementation Completion Report
IDA	International Development Association
IEC	Information, Education, Communication
IEE	Initial Environmental Examination
IFR	Interim Financial Report
ILO	International Labor Organization
KBF	Kum ban Facilitator
KDP	Kum ban Development Plan
LAK	Lao Kip (Lao Currency)
LN	Livelihood and Nutrition
LONG	Livelihood Opportunity and Nutrition Gain
LUFSIP	Lao Uplands Food Security Improvement Project
LWU	Lao Women Union
LYU	Lao Youth Union

MDTF	Multi-Donor Trust Fund
M&E	Monitoring and Evaluation
MIS	Management information system
MAF	Ministry of Agriculture and Forestry
MOF	Ministry of Finance
MPI	Ministry of Planning and Investment
MTR	Mid Term Review
NAFES	National Agriculture and Forestry Extension Services
NCRDPE	National Committee for Rural Development and Poverty Eradication
NOL	No Objection Letter
NUDP	National Uplands Development Project
ODF	Open Defecation Free
PAFO	Provincial Agriculture and Forestry Office
PDNA	Post Disaster Needs Assessment
PDO	Project Development Objective
PDR	Popular Democratic Party
PMT	Project Management Team
PPM	Participatory Planning Manual
PRF I	Poverty Reduction Fund Project (2003-2011)
PRF II	Poverty Reduction Fund Project (2011-2016)
QA/QC	Quality Assurance / Quality Control
QMS	Quality management Team
SDC	Swiss Agency for Development and Cooperation
SHG	Self Help Group
SP	Sub-Project(s)
TOR	Terms of Reference
UXO	Unexploded Ordnance Program
VDP	Village Development Plan
VIT	Village Implementation Team
VNC	Village Nutrition Center
WASH	Water, Sanitation and Hygiene
WB	World Bank
WSP	Water and Sanitation Project

# Table of Contents

<b>ABBREVIATIONS .....</b>	<b>I</b>
<b>PART I. EXECUTIVE SUMMARY .....</b>	<b>- 1 -</b>
<b>PART II. ACHIEVEMENTS AND ANALYSIS .....</b>	<b>- 4 -</b>
2.1. SUMMARY OF IMPLEMENTATION PROGRESS TO DATE .....	- 4 -
2.1.1. PRF Poverty Targeting.....	- 4 -
2.1.2. Progress of sub-project implementation Cycle XIII.....	- 5 -
2.2. ACHIEVEMENTS AGAINST INDICATORS IN PRF’S RESULT FRAMEWORK .....	8
2.2.1. Greater than 75% satisfaction levels reported by beneficiaries in targeted villages regarding improved services and local development planning .....	8
2.2.2. Total number of direct beneficiaries of which x% are female and ethnic .....	8
2.2.3. Decision-making on allocation of PRF resources involves at least 40% women .....	8
2.2.4. Sub-projects with post projects community engagement or O&M arrangements (%) .....	9
2.2.5. Grievances registered related to delivery of project benefits addressed (%) .....	9
2.2.6. Total community contribution and the percentage (%) of total project cost.....	10
2.2.7. Percentage of PRF Kum ban plans used by government and/or other development actors for planning and funding .....	11
2.2.8. Percentage of district where district officials provide technical assistance and supervision to communities.....	13
2.2.9. Number of communities able to plan, implement and monitor their activities .....	14
2.2.10. Number/type of sub-project activities implemented .....	15
2.2.12. Percentage of improvement in dietary diversity among pregnant/ lactating women and children aged 6-24 months .....	15
2.2.13. Number and type of livelihood activities supported by seed grant.....	16
2.2.14. Percentage of PRF fully staffed .....	16
2.2.15. Progress reports prepared on time .....	16
<b>PART III. SPECIFIC ISSUES .....</b>	<b>19</b>
3.1. MEETINGS AND TRAINING .....	19
3.2. CONSULTATION MEETING ON SOCIAL AND ENVIRONMENTAL SAFEGUARDS FOR POVERTY REDUCTION FUND III .....	20
<b>PART IV. MANAGEMENT AND ACCOUNTABILITY: SPECIFIC ACTIVITIES DURING A PERIOD OF REPORT .....</b>	<b>23</b>
4.1. ADMINISTRATION AND FINANCE .....	23
4.1.1. Government contribution.....	23
4.1.2. Interim unaudited financial report (IFR) .....	23
4.1.3. External Audits .....	23
4.1.4. Summary Decentralized Budget Planning Experience Cycle 13 .....	24
4.1.6. Disbursement .....	27
4.2. MONITORING AND EVALUATION .....	28
4.4.1. The performance of Monitoring and Evaluation System .....	29
4.2.2. PRF III’s Indicators Manual.....	29
4.2.3. Progress of PRF III MIS database .....	30
4.2.4. End-line survey by Indochina Research .....	30
4.2.5. Geographic information system (GIS) .....	31

4.2.6. Experiences of Monitoring and Evaluation System .....	31
4.3. COMMUNITY DEVELOPMENT .....	32
4.3.1. Expand of Deepening Community Driven Development “DCDD” .....	33
4.3.2. Extension the DCDD in Cycle XIV .....	33
4.3.3. Feedback Resolution Mechanism .....	34
4.3.4. Information Education Communication (IEC) .....	35
4.3.5. Social Safeguards .....	35
4.4. ENGINEERING KEY WORK .....	36
4.4.1. Summary the main achievement in from 2015-2016 .....	36
4.4.2. Participated on the water use workshop in Cambodia .....	37
4.4.3. Engineering annual workshop .....	37
4.4.4. The pilot project on Road Maintenance Group .....	37
4.4.5. Primary school Community Force Account sub-project .....	37
4.4.6. Volunteer student .....	38
4.4.7. Suspension bridge of Helvetas .....	38
4.4.8. Government team to inspect the subprojects for GoL fund .....	39
4.4.9. Quality Control .....	39
4.4.10. Environmental safeguard .....	39
4.5. HUMAN RESOURCES .....	40
4.6. LIVELIHOOD AND NUTRITION ACTIVITIES .....	40
4.7. PRF INTERNAL AUDIT ACTIVITIES .....	43
<b>PART V. COOPERATION AND PARTNERSHIP .....</b>	<b>44</b>
5.2. PARTNERSHIP WITH WATER AND SANITATION PROJECT .....	44
<b>PART VI. PLANNED ACTIVITIES FOR THE FISCAL YEAR 2016-2017 (NEEDED TO UPDATE) .....</b>	<b>46</b>
6.1. HIGHLIGHTS .....	46
6.2. DETAILS OF PLANNED ACTIVITIES .....	47
6.2.2. Finance and Administration .....	47
6.2.3. Procurement activities .....	47
6.2.4. Human Resources .....	48
6.2.5. Monitoring and Evaluation .....	48
6.2.6. Technical Assistance .....	48
6.2.7. Community Development .....	49

## Table of Tables

Table 1: Sub projects of Cycle XIII (2015-2016) by sector .....	5 -
Table 2: Status of Physical Progress by sector of Cycle 13 .....	6 -
Table 3: Disbursement from Cycle IX –XIII (as of September 2016, in US\$) .....	7
Table 4: Participants in village planning meetings (2015-2016) .....	8
Table 5: Priorities selected by gender, Cycle XII (2015-2016) .....	9
Table 6: FRM Feedback Details .....	10
Table 7: Community contribution in fiscal year 2015-2016 (US\$) .....	11

Table 8: Number of KDPs used by GOL agencies and other development partners .....	13
Table 9: Number of GOL participants in PRF meetings in each district of Cycle XIII .....	14
Table 10: Number of villages received at least one sub-project from PRF.....	14
Table 11: Type of sub-projects covered by PRF by sector (Cycle IX – XIII).....	15
Table 12: Number of staff in each level (Central, province, district).....	17
Table 13: Number of ethnic staff at each office level.....	17
Table 14: Workshops and Trainings during October 2015-September 2016 .....	19
Table 15: PRF II Financing - Disbursement (as of September 30, 2015) .....	27
Table 16: Summary of fund use .....	27
Table 17: Expenditures by component .....	27
Table 18: establishment of self-helped groups of four new districts .....	41
Table 19: The grant saving amount of SHGs as September 2016 .....	41
Table 20: The Nutrition activities as September 2016.....	42

## Table of Figures

Figure 1: Poverty ranking ratio of the village covered by the PRF.....	- 4 -
Figure 3: Percentage of PRF Kum ban plans used by government and/or other development actors for planning and funding .....	12

## Part I. Executive summary

Overall goal of PRF is to create stronger links between the local government and the aspirations of villagers with a Program staff at a district, province and national level that coordinates and builds linkages. A forum was created at district level where villagers and district authorities meet regularly to discuss together the priorities and the plans and also to reach a compromise that will satisfy each party.

In referring to the feedback report of donors Support Mission in July 2016, it stated that as five years' implementation, PRF II continues to perform well and reaches development objects. It has supported more than 1,930 sub-projects in about 1,350 villages, and improved access to services for more than 650,000 people, or about 10 percent of national population. The final impact Evaluation(IE) found that access to protected water increased by 5 percentage points in village where PRF II implemented subprojects, and travel time to the nearest village is reduced on average by 114 minutes in the dry season and 73 minutes in the wet season in villages where the PRF II implemented road subprojects. More than 90 percent of subprojects implemented 4 - 6 years ago are still in good or fair condition based on technical evaluation report. Disbursement stands well and the Project is expected to close on December 31, 2016, as scheduled.

This report covers the implementation period from October 2015 to September 2016, and provides a summary of key achievements and progress of implementation as the end of PRF II. It covers Cycle XIII sub-projects implementation, preparation of the Cycle XIV and also some information from the previous Cycle IX Cycle X Cycle XI Cycle XII and Cycle XIII sub-projects progress. Achievements against the indicators and targets defined in the PRF phase II Results Framework are also discussed in this report, as well as the progress of preparation of PRF III.

Through five years of project implementation, the PRF II has supported the implementation of five cycles (Cycle IX, X, XI, XII, and XIII) with a total of 1,931 sub-projects of which 1,788 of them (93%) have been completed (as 30 September 2016), and the rest of projects will be completed by December 2016 (except 58 sub-projects under the Government budget set 2, while 16 sub-projects will be completed during October-December 2016, and 42 will be completed after January 2017).

The PRF team has continued to work in 278 Kum bans located in 42 poor districts<sup>1</sup> and 10 provinces. The implementation of Cycle XIII sub-projects is expected to provided improved access to basic services for approximately 286,104<sup>2</sup> beneficiaries including women (49.8% of the total number of beneficiaries) and small ethnic groups (over 75% of the total number of beneficiaries). The decision making level on the list of priorities to be supported by the PRF for Cycle XIII has involved a large number of women in decision making on allocation (49%

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<sup>1</sup> During preparation of PRF II in 2011, there was 42 districts, then Viengthong and Xamtai in Houaphanh, then in 2013 each of them divided in to 2 districts ( Viengthong become Hiem and Sone and Xamtai become Kouan and Xamtai) but PRF office remained 2 offices in 4 districts, as total 42 offices in 44 districts of PRF II.

<sup>2</sup> This number is counted based on the number of sub-projects from all villages. For only those villages that newly receive sub-projects, the number of beneficiaries would be 123,026.

of a total number of 84,839 adult participants are women) which exceeds the indicator of 40%..

In addition, the total of 155 out of 278 Kum ban Development Plans (56%) developed by communities with PRF facilitation have been used by both government agencies and other development partners, this has exceeded the target identified in the results framework by 21% (35% set in results framework). The percentage of KDPs used by other organizations has been increased gradually from cycle to cycle. This indicates that the outputs of CDD planning developed by communities are definitely accepted by various development partners. For further improvement of planning in PRF III, the District Socio-Economic Development Plan (DSEDP) had implemented in six pilot districts, through the cooperation between PRF and MPI to strengthen its planning process at district level.

During AF period, LN has been added as one component of the PRF (Component 4). As September 2016, Project has benefited 3,629 households covering 27,154 people against planned 2,880 members and 14,400 beneficiaries. In present, the total number of SHGs in 165 target villages established is 696 comprising of 8,170 members from which 7,015 female (91.45%), covering 46,917 indirect beneficiaries from which 24,051 females.

The Nutrition activities have been carried out in existed 23 VNCs in 23 villages. Membership of VNC has been revised by exclusion of members from VNC and inclusion of only pregnant and lactating women and children up to 24 months of age. The LN impact evaluation found that 85% of mothers reported starting breast feeding within one hour of birth within one hour, and all mothers have started within 24 hours of birth, while satisfaction with VNC is high with 95% reported by mothers in target villages.

One of the most memorable events for PRF during this reporting period was to be selected for the 2015 ASEAN Rural Development and Poverty Eradication Leadership Award<sup>3</sup> (October 2015). More than 10 years' experience (since 2003), Poverty Reduction Fund (PRF) is considered to be an outstanding project working in the area of rural development and poverty, through the community driven development approach, whereby communities themselves (by encouraging high number of women, ethnic minority groups, poorest villagers, etc) decide on how resources are allocated, manage sub-project funds, implement, operation and maintenance sub-projects.

Regarding the preparation of PRF III, all documents have been prepared in order to hold the negotiation during the beginning of the next reporting period. It is estimated that PRF III will be supported with funding of approximately 52 million USD (30 million from the WB, 16 million from SDC and 6 million from GOL's contribution). In terms of coverage, implementation of PRF III will cover relatively the same 10 target provinces supported by PRF II. Nonetheless, the number of supported districts or kumbans is to be determined with further discussion.

The GoL informed the Bank of its intention to move the PRF to the Ministry of Agriculture and Forestry (MAF), following the decision to move the national Committee for Rural

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<sup>3</sup> The Awards are for NGOs/CSOs in Lao PDR with outstanding achievements and contributions to the rural development and poverty eradication through sustainability manner.



Development and Poverty Eradication (NCRDPE) to the MAF. It is important that the PRF maintains the financial and operational autonomy. As well as the current staff hired on a merit basis as they are the critical contributors to the results achieved by the PRF.

The PRF III was approved on May 24, 2016 and the subsidiary Agreement was signed between Ministry of Finance and the PRF on July 13, 2016. Preparation of the Legal Opinion is in progress. The list of eligible kumbans has been slightly modified based on the result of the recently developed poverty map and shared with World Bank and the Government. The fiscal year of PRF from 2017 will align with the Government one as follows the calendar, the planning of the Cycle XIV (2017), the first block grant cycle under the PRF III, is on track and will be completed by November 2016.

The development objective of PRF III is to improve access to basic services for the Project's targeted poor communities. It will be achieved through inclusive community and local development processes with emphasis on ensuring sustainability. The project comprises of four components. The first component, community development sub-grants; the second component, local and community development capacity building; the third component, project management; and the fourth component, Nutrition Enhancing Livelihood Development.

Continue to Third phase or PRF III, to increase the efficiency and effectiveness of work requires a newly developed system with some innovation. Authorization for new database system for PRF III and its design are to be discussed and agreed with donors. As beginning of September 2016, PRF signed contract with consultant to develop new database of PRF III that would take 2-3 months' period for developing, installing and training.

Coverage of PRF III, as a principle, adjustment was made so the PRF III will continue to operate in the same geographical areas, building on the institutional capacity already established and further developing the capacity of local communities and government authorities to collaborate for local socioeconomic development in partnership. With an increase of 10% to take into account inflation in the last 5 years (PRFII project lifetime). Average PRFIII Kum ban allocation becomes US\$43,000 per Kum ban per year. Based on the PRFIII yearly sub-grant budget allocation (US\$11,176,000), it was estimated that the PRFIII would be able to support at least 257 Kum ban following changes in the methodology in the allocation of Kum ban budget.

## Part II. Achievements and Analysis

### 2.1. Summary of implementation progress to date

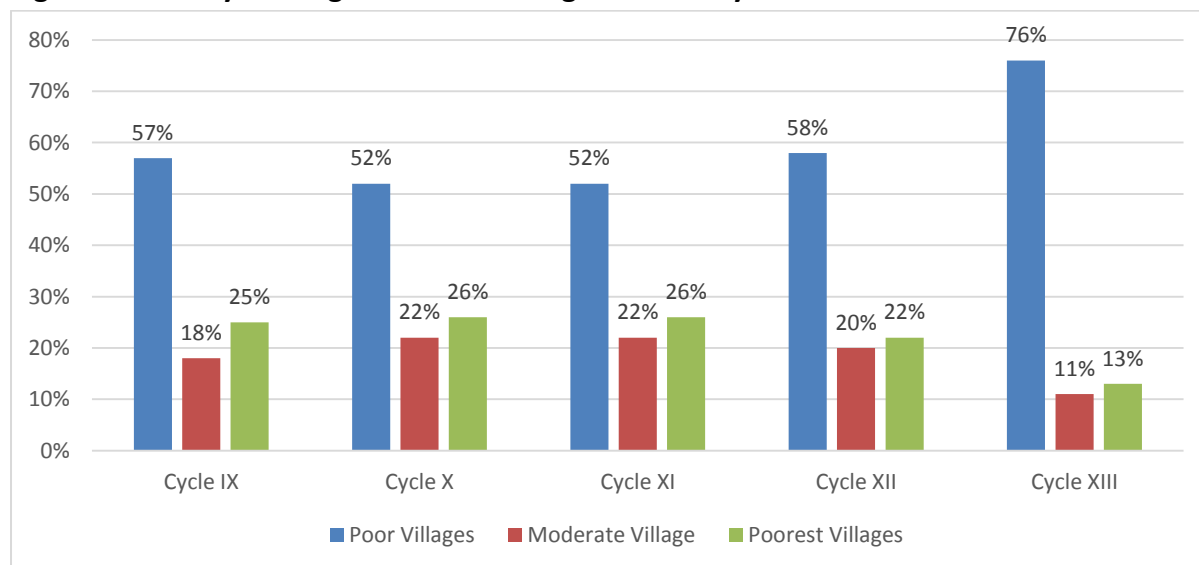
The following sections highlight PRF's coverage, sub-project implementation progress and financial disbursements from October 2015 to September 2016.

#### 2.1.1. PRF Poverty Targeting

The PRF targeting is based on the Lao PDR Poverty criteria related to access to basic services and further refined using community perception towards their poverty status, to decide which village will receive support in priority.

For the Cycle XIII, 76% of village beneficiaries are those classified as "poor" and represent a slight increase by 18% in comparison with previous cycle. PRF target is to give priorities to the "poorest" category. Nevertheless, it is important to note that even for sub projects located in the "moderately poor" villages, a key consideration is to be able to improve indirect access to basic services for the poor and poorest villages. The cost-benefit in the "poorest" villages is lower due to lower population size in poorest villages. To maximize the total number of beneficiaries, sub projects sometimes are more suitably located in "moderately poor" villages where there are higher number of potential beneficiaries compared to "poor" and "poorest villages". This still allows population in "poor" and "poorest" villages to indirectly access sub projects, following Government criteria stipulating that a service is considered as available is less than one hour by walk.

**Figure 1: Poverty ranking ratio of the village covered by the PRF**



Source: MIS of Monitoring and Evaluation Division, 30 September, 2016

### 2.1.2. Progress of sub-project implementation Cycle XIII

The preparation of the Cycle XIII (2015-2016) started in July 2015 with the planning review at village level. As of September 2016, the actual number of sub-projects is 505 sub-projects selected and implemented for this cycle. The table 1 below illustrates the number and types of sub-projects requested by the communities, separated by sector.

As shown in the table 1, a majority of requests are on the Education sector (52.3%), indicating the priorities requested by communities, followed by Water and Sanitation sub-projects (22.4%). Agriculture & Forestry, Health, Public Works & Transport and Energy & Mines sectors combined contribute to approximately one fourth of the total number of sub-projects selected. The Education is actually over represented as a lot of Kum ban have used their PRFII Kum ban remaining budget to buy school equipment.

**Table 1: Sub projects of Cycle XIII (2015-2016) by sector**

Sector	# SP	%
Agriculture and Forestry	21	4.2%
Education	264	52.3%
Energy and Mines	1	0.2%
Health	34	6.7%
Public Works and Transport	72	14.3%
Water & Sanitation	113	22.4%
<b>Total</b>	<b>505<sup>4</sup></b>	<b>100%</b>

Source: MIS of Monitoring and Evaluation Division, 30 September 2016

### Progress of sub-project implementation

The implementation of Cycle XII continues to progress significantly since the last reporting period. By the end of September 2016, out of a total of 447<sup>5</sup> sub-projects, 355 sub-projects (79.4%) were completed while the rest are under progress and expected to be completed by December 2016.

<sup>4</sup> 507 sub projects were initially reported in the Semi Annual Report. After receiving NOL, 505 sub projects were approved for cycle 13 implementation.

<sup>5</sup> As 447 sub-projects are total IDA sub-project and 52 sub-projects of Government set 1 that already completed.

**Table 2: Status of Physical Progress by sector of Cycle 13**

Sectors	Number of SP	Physical progress of Cycle XIII			
		100%	>=50%	<50%	0%
Agriculture and Forestry sector	21	18	1	1	1
Education sector	264	171	20	10	63
Energy and Mind	1	1	0	0	0
Health sector	34	20	4	2	8
PWT sector	72	52	10	6	4
Water & Sanitation	113	93	13	2	5
<b>Grand Total</b>	<b>505</b>	<b>355</b>	<b>48</b>	<b>21</b>	<b>81</b>

*Source: MIS of Monitoring and Evaluation Division, 30 September 2016*

Out of the 81 sub-projects that have not yet started, 58 sub-projects are under the Government budget (set 2) that will be implemented starting in October 2016 based on budget approved by the Government of Laos, while 23 sub-projects are mostly related to school material and furniture sub-projects that will be completed in November 2016.

## 2). Sub-project implementation financial management

The progress of sub-projects budget transfers to community bank account has been timely and met the financial needs for sub-project physical implementation. Key achievements are as follows:

- 100% of the total sub-grants budget has been transferred to the 261 completed sub-projects implemented under Cycle IX.
- 100% of the total sub-grants budget has been transferred to the 392 completed Cycle X sub-projects.
- 98.6% of the total sub-grants budget has been transferred to the 331 completed Cycle XI sub-projects.
- 100% of the total sub-grants budget has been transferred to the 438 completed Cycle XII sub-projects.
- 84 % of the total sub-grants budget has been transferred to the 418 completed Cycle XIII sub-projects (out of 505 sub-projects, IDA : 395 and Gol 1: 52 sub-projects).

**Table 3: Disbursement from Cycle IX –XIII (as of September 2016, in US\$)**

Provinces	#SPs	Cycle IX			Cycle X			Cycle XI			Cycle XII			Cycle XIII		
		Budget	Expenditure	%	Budget	Expenditure	%	Budget	Expenditure	%	Budget	Expenditure	%	Budget	Expenditure	%
Houaphan	463	2,031,705	2,031,705	100%	1,866,616	1,866,616	100%	1,718,110	1,718,110	100%	2,421,755	2,421,755	100%	1,994,024.59	<b>1,607,583.13</b>	81%
Savannakhet	244	1,825,180	1,825,180	100%	1,389,466	1,389,466	100%	1,408,567	1,408,567	100%	1,334,543	1,365,125	102%	1,430,817.20	<b>997,126.63</b>	70%
Xiengkhuang	164	1,144,095	1,144,095	100%	951,591	951,591	100%	845,871	845,871	100%	881,042	881,042	100%	933,256.66	<b>750,801.24</b>	80%
Saravanh	108	567,382	567,382	100%	578,930	578,930	100%	539,029	539,029	100%	785,210	785,210	100%	659,048.11	<b>490,015.43</b>	74%
Luangnamtha	112	617,070	617,070	100%	471,446	472,227	100%	554,390	419,065	76%	461,421	461,421	100%	481,847.87	<b>374,563.67</b>	78%
Sekong	139	923,279	923,279	100%	652,663	652,663	100%	670,643	670,643	100%	659,048	633,052	96%	1,023,756.55	<b>936,763.57</b>	92%
Attapeu	110	530,577	530,577	100%	534,244	534,244	100%	534,186	534,186	100%	601,912	601,912	100%	859,514.12	<b>637,272.69</b>	74%
Phongsaly	114	-	-	-	670,438	670,438	100%	618,782	618,782	100%	646,572	644,049	100%	843,800.85	<b>620,098.13</b>	73%
Oudomxay	267	-	-	-	1,580,140	1,580,140	100%	1,648,401	1,648,401	100%	1,474,111	1,474,111	100%	2,403,814.66	<b>2,227,902.86</b>	93%
Luangprabang	210	-	-	-	1,194,342	1,194,342	100%	1,264,302	1,264,302	100%	1,087,736	1,082,330	100%	1,891,402.23	<b>1,776,938.50</b>	94%
<b>Total</b>	<b>1,931</b>	<b>7,639,288</b>	<b>7,639,288</b>	<b>100%</b>	<b>9,889,875</b>	<b>9,890,656</b>	<b>100.00%</b>	<b>9,802,280</b>	<b>9,666,954</b>	<b>98.60%</b>	<b>10,353,351</b>	<b>10,350,008</b>	<b>100%</b>	<b>12,521,283</b>	<b>10,419,066</b>	<b>84%</b>

Source: PRF Financial Report, 30 September 2016

For Cycle 13 during reporting period, at report of Finance division not included all Government set 2 budget and sub-project; therefore, it recorded only 450 out of 505 sub-project with budget of 10,795,922 US\$ out of 12,769,851 US\$ from MIS.

## **2.2. Achievements against indicators in PRF’s result framework**

### **2.2.1. Greater than 75% satisfaction levels reported by beneficiaries in targeted villages regarding improved services and local development planning**

During August-September 2015 (district PRF staff and concerned sectors sub-project follow up), an Internal Sub-Projects Sustainability Assessment was conducted in all 10 targeted provinces to monitor and assess sustainability of sub-projects after being handed over to the community, their impacts to the community as well as to measure community’s level of satisfaction on PRF sub-projects. The assessment found that 95% of the respondents were “very satisfied” and 4.5% were “satisfied”. Also refer to the World Bank supervision feedback (June 2015) reported that the level of satisfaction among beneficiaries is high at 80 percent which exceeds expected target of 75%.

### **2.2.2. Total number of direct beneficiaries of which x% are female and ethnic**

The PRF simply defines the sub-projects beneficiaries from a perspective of the village population where the sub-project is located. As for Cycle XIII as the end of September 2016, the number of total beneficiaries is 286,104<sup>6</sup>. Female beneficiaries account for 49.8% while over 75% of the total beneficiaries are from small ethnic groups.

### **2.2.3. Decision-making on allocation of PRF resources involves at least 40% women**

One of PRF II’s achievement indicator is Involvement of women in decision-making on allocation of PRF resources. It is measured through the proportion of women who participate in village planning meetings. As shown in table 3, for the Cycle XIII, female participants account for approximately 49 % of total adult participants which exceeds the indicator target of 40% and the total number of participants from small ethnic groups remain high (84%). This shows that preference given towards most vulnerable groups is remain a PRF priority and focus.

**Table 4: Participants in village planning meetings (2015-2016)**

<b>Cycle XIII (2015-2016)</b>		
	<b>Number</b>	<b>%</b>
<b>All participants</b>	84,839	
<b>Female participants</b>	41,317	49%
<b>Ethnic participants</b>	71,596	84%
<b>Poor participants</b>	43,023	51%

Source: MIS of Monitoring and Evaluation Division, 30 September 2016

<sup>6</sup> This number is counted based on the number of sub-projects from all villages and it is updated data from last semi progress report is only 252,085. For only those villages that newly receive sub-projects, the number of beneficiaries would be 123,026 this is final data.

One more indicator relates to female decision-making power on allocation of PRF resources (through their ability in selecting the different types of sub projects during the decision making process). The average number of women involved in decision making through 5 years of PRF II is over 90 %. Table 4 illustrates sub projects priorities selected by gender. Around 5 % of a total number of sub projects is from men priority while 95% are those prioritized by women or both. It clearly indicates that women' needs are strongly taken into account during planning and decision-making process as to reflect a principle of PRF, enhancing gender equity. Therefore, these sub projects will bring benefit to women and to the family as a whole.

**Table 5: Priorities selected by gender, Cycle XII (2015-2016)**

Sectors	Female	%	Male	%	Both	%	Total
Agriculture and Forestry sector	8	38%	1	5%	12	57%	21
Education sector	58	22%	16	6%	190	72%	264
Energy and Mind	1	100%	0	0%	0	0%	1
Health sector	10	29%	0	0%	24	71%	34
PWT sector	16	22%	3	4%	53	74%	72
Water & Sanitation	40	35%	4	4%	69	61%	113
<b>Grand Total</b>	<b>133</b>	<b>26%</b>	<b>24</b>	<b>5%</b>	<b>348</b>	<b>69%</b>	<b>505</b>

*Source: MIS of Monitoring and Evaluation Division, 30 September 2016*

#### **2.2.4. Sub-projects with post projects community engagement or O&M arrangements (%)**

Following on project design, this indicator is assessed through a special survey which is carried out through bi-annual follow-up visits. The most recent data is based on the Internal Assessment of the use of PRF Sub-projects conducted during August-September 2015 which pointed out that 95% of visited sub-projects had an operation and maintenance committees in place. For the remaining 5%, the establishment and training of the operation and maintenance committee was already planned during the next quarter. Most committees levied user fees and encouraged villagers to provide voluntary labor for routine maintenance to ensure sub-projects sustainability. These data will continue to be updated based on the sub-project follow up visit after completion as 50 percent of Cycle XII sub-projects are included in the 6-12 month check list done by engineer team and local concerned sector at district. This report will be completed by December 2016.

#### **2.2.5. Grievances registered related to delivery of project benefits addressed (%)**

The objective of the PRF 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 community and empower the ethnic groups and poor in villages. Referring to suggestion of the last donors mission (August 2016), some improvements have been observed in the FRM. The number of

feedback received increased by 60 percent between October 2015 to March 2016 compared to the previous 6 months. The mission was informed that many villagers are still reluctant to use the FRM due to lack of confidence and incentives.

The PRF is advised to assess the lessons learnt to identify gaps that may exist in the current FRM mechanisms and development measures to further increase the use of FRM by villagers. In responding to donors' suggestion, the FRM officer with provincial staff conducted refreshing trainings for PRF district staff and Kum ban facilitators to encourage more understanding regarding FRM. Kum ban facilitators who are key persons to utilize their knowledge to villagers about using FRM. This would be a very effective approach with their understanding, this is expected that they will be able to distribute correct messages which as a result, number of feedbacks have been increased in the first half of the year

**Table 6: FRM Feedback Details**

Feedback Received	2015			2016									Total
	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sep	
Request for information	2	1	-	1	8	3	8	1	4	6	1	1	36
Request for Fun/technical assistance	27	103	8	2	86	5	43	11	35	14	11	23	368
Thanks to PRF	2	3	3	4	143	2	14	2	10	6	3	4	196
Compliant	0	-	-	1	1	1	2	0	2	4	4	2	17
<b>Total</b>	<b>31</b>	<b>107</b>	<b>11</b>	<b>8</b>	<b>238</b>	<b>11</b>	<b>67</b>	<b>14</b>	<b>51</b>	<b>30</b>	<b>19</b>	<b>30</b>	<b>617</b>

Source: MIS of Monitoring and Evaluation Division, 30 September 2016

During this reporting period (October 2015 – September 2016), based on Feedback and Conflict Resolution Mechanism Report of the 10 target provinces, a total of 617 feedbacks were received via the feedback boxes, hotline 161 and e-mail. When compared with the previous annual report (fiscal year 2014-2015), the total number of feedbacks received increased by 10 % (from 560 to 613). The large majority of the feedback (59%) received are related to request for fund or technical assistance. After refreshing training on FRM, it seemed that the number of complaints received during this reporting has increased significantly compared with the previous reporting period (from 8 to 17 complaints). All these complaints have been resolved. Further details of complaints can be found on the annex 4.

#### **2.2.6. Total community contribution and the percentage (%) of total project cost**

From a total budget of US\$12,769,851 planned for the 505 sub-projects in Cycle XIII (2015-2016), the community beneficiaries have pledged to contribute an equivalent of US\$ 1,007,768 (8%). The large part of this contribution is in the form of community labor. Expressed as a percentage of the PRF contribution, the community contribution is expected to reach approximately 11%. This contribution has varied between provinces, with an average contribution of 6% in Luangprabang and up to an average contribution of nearly 10% in



Oudomxay province. The community contribution is also different between sectors. The Water and Sanitation sub-project reach the highest percentage (11%) while the lowest community contribution is in the Public Work and Transport sector and the Education sector (7%).

When comparing to the previous cycle where proportion of community contribution reached 12%, the Cycle XIII has a much lower community contribution, which is probably due to the increased number of equipment purchased with the remaining Kum ban budget from previous cycle, as this type of sub-project does not require any specific community contribution. Nevertheless, the community contribution of 17 sub projects out of a total of 505 sub projects are not yet provided with figures, and may influence this percentage.

**Table 7: Community contribution in fiscal year 2015-2016 (US\$)**

<b>By Province</b>	<b>Population</b>	<b>Community Contribution</b>	<b>PRF Contribution</b>	<b>%</b>
ATTAPEU	25,401	78,968	881,370	9%
HUAPHANH	31,431	137,274	2,042,181	7%
LUANGNAMTHA	9,286	39,794	495,326	8%
LUANGPRABANG	40,159	110,035	1,878,461	6%
LOUDOMXAY	92,571	241,015	2,445,351	10%
PHONGSALY	19,429	54,114	803,796	7%
SARAVANE	15,505	57,366	675,477	8%
SAVANNAKHET	22,727	108,985	1,466,848	7%
SEKONG	15,431	90,342	1,124,373	8%
XIENGKHUANG	14,164	89,875	956,667	9%
<b>Total</b>	<b>286,104</b>	<b>1,007,768</b>	<b>12,769,851</b>	<b>8%</b>
<b>By Sectors</b>	<b>Population</b>	<b>Community Contribution</b>	<b>PRF Contribution</b>	<b>%</b>
Agriculture and Forestry	13,264	52,205	530,162	10%
Education	169,761	495,866	7,157,470	7%
Energy and Mines	-	969	12,098	8%
Health	11,708	54,730	537,272	10%
Public Works and Transport	36,904	164,025	2,268,653	7%
Water & Sanitation	54,467	239,973	2,264,197	11%
<b>Total</b>	<b>286,104</b>	<b>1,007,768</b>	<b>12,769,851</b>	<b>8%</b>

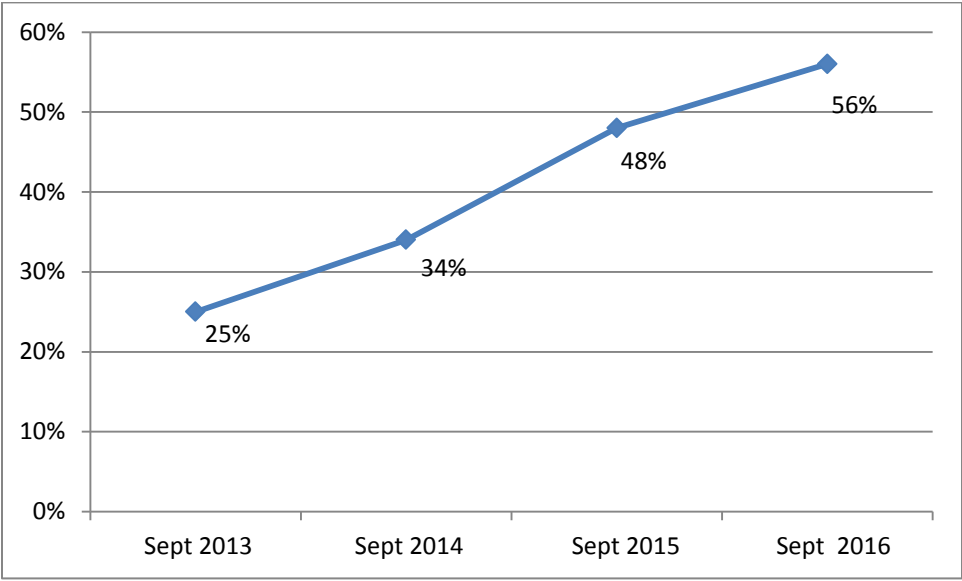
Source: MIS of Monitoring and Evaluation Division, 30 September 2016

### **2.2.7. Percentage of PRF Kum ban plans used by government and/or other development actors for planning and funding**

Compared with the previous reporting period (October 2015-March 2016), as of September 2016 the number of Kum ban plan (KDP) used by other increased, from 135 to 155 (48% to 56%) KDPs out of 278 Kum ban Development Plans (KDPs) developed by communities with PRF facilitation have been used by both government agencies and other development partners. This has exceeded the target identified in the results framework by 21% (35% set in the Results

Framework). As shown in figure 1 below, the percentage of KDPs used by other organizations has been increased gradually from 25% by September 2013, 34% by September 2014, 48% by September 2015, 48% by September 2015 and 56 % by September 2016.

**Figure 2: Percentage of PRF Kum ban plans used by government and/or other development actors for planning and funding**



Source: MIS of Monitoring and Evaluation Division, 30 September 2016

The total number of priorities addressed in KDP reached 1,931 sub-projects (76 % are supported by PRF and 24 % or 457 sub-projects by other). This is to confirm that the outputs of CDD planning developed by communities are definitely accepted by various development partners. Further details on the amount of budget spent to support these plans are provided in annex 3.

To ensure that KDP developed with the support of the PRF are more effectively used by other agencies, the cooperation with MPI will be strengthened as part of the PRF III. A pilot has been implemented in 6 districts with the aim at supporting the DSEDP, and Initial results are positive. All stakeholders who participated in the pilot expressed strong support to the pilot. District officials participated in and gained first-hand experience in the PRF’s village planning process. Representatives from many Kum bans including non-PRF presented for the first time their priorities to district officials as inputs to Annual District Socio-economic Development Plan (DSEDP). Harmonizing the planning is needed and PRF III will continue to roll out the pilot in other districts and support the capacity development of district planning officials to better manage the bottom-up process as part of their district planning process.

**Table 8: Number of KDPs used by GOL agencies and other development partners**

	# Village development plan	KDPs supported by others	Districts	Supporters	# GOL agencies	GOL + Private	# GOL + Community	# GOL + NGO	# Int. NGO	#Lao NGO	# Co., LDT	# Village Fund	Total
Huaphan	57	23	4	5	62				6		1		69
Oudomxay	6	5	3	5	1				5				6
Luangprabang	49	20	5	9	22		3		24		2		51
Luangnamtha	12	7	3	4	14				7				21
Phongsaly	28	13	1	1	19		5		19		5	1	49
Salavan	10	9	3	3	5				2		3		10
Savanakhet	38	20	5	9	14				21		12	3	50
Sekong	25	12	3	3	31				1		1		33
Attapeu	56	17	3	8	20	15		28	20		5		88
Xiengkhuang	66	29	4	10	49			1	26			4	80
Total	347	155	34	57	237	15	8	29	131	0	29	8	457

Source: MIS of Monitoring and Evaluation Division, 30 September 2016

### **2.2.8. Percentage of district where district officials provide technical assistance and supervision to communities**

One of the mandate of PRF is to create stronger links between the local government and the aspirations of villagers with a Program staff at a district, province and national level that coordinates and builds linkages. District officials of each sectors well as the Rural Integrated Development Office who work closely with communities, are invited and participating in every activities of the cycle since the starting of the cycle including planning meeting, confirmation meeting, decision making meeting survey and design, bid opening, sub projects implementation and supervision as well as handover of sub projects. The participation of district officials will

ensure coherence of PRF implementation to the Government procedures, more importantly, transparency is of great consideration.

Table below demonstrates the number of GOL participants in PRF meeting in each district in Cycle 13. Types of meetings here include planning and review meeting at the village, district and provincial level.

**Table 9: Number of GOL participants in PRF meetings in each district of Cycle XIII**

Number of GOL participants in PRF meetings in each district of Cycle XIII					
District	# GOL Participants	District	# GOL Participants	District	# GOL Participants
Beng	61	Ngah	46	Sepone	91
Chomphet	87	Nong	42	Ta Oy	66
Dark Chueng	49	Nonghed	47	Tha Thome	32
Houn	37	Numbark	115	Thapangthong	87
Houaneuang	95	Pak Beng	25	Toomlarn	20
Kah Luem	47	ParkSaeng	97	Viengkham	74
KHOUNE	40	Phine	114	Viengphouka	49
Khua	31	PhonXay	99	Viengthong	118
La Mam	41	Phoukoon	75	Viengxay	46
Long	40	Phouvong	55	Vilabuly	37
Mai	28	Samphan	15	Xam Neua	73
MORK	32	Samuoi	32	Xamtay	90
Nalae	34	Sanamxai	21	Xay	70
Namor	52	Sanxai	29	Xiengkhor	70

Source: MIS of Monitoring and Evaluation Division, 30 September 2016

### 2.2.9. Number of communities able to plan, implement and monitor their activities

For Cycle XIII, 278 Kum bans have developed/reviewed their long-term Kum ban/Village Development plans as of September 2016.

For cycle IX-XIII (2012-2016), a total of 1,349 villages have planned, implemented and monitor 1,931 PRF supported sub-projects as detailed in table below.

**Table 10: Number of villages received at least one sub-project from PRF**

Cycle 9-10 (2012-2013)		Cycle 9-11 (2012-2014)		Cycle 9-12 (2012-2015)		Cycle 9-13 (2012-2016)	
#SP	# Village	#SP	# Village	#SP	#Village	#SP	# Village
655	595	988	860	1426	1124	1931	1349

Source: MIS of Monitoring and Evaluation Division, 30 September 2016

### 2.2.10. Number/type of sub-project activities implemented

With the support from the GOL and donors over the five fiscal years (2011-2016), there has been significant progress in sub-projects implementation.

Education and water related sub-projects remain the key sectors prioritized by the communities (over 2/3 of the total number of sub-projects in average), followed by water & sanitation (approximately 2/3 of the total number of sub-projects). For Cycle XI, XII and XIII, request for Education sub-projects are higher than Water related sub-projects while they are lower during Cycle IX and X. One possible hypothesis to explain this trend is that access to clean water has considerably increased in the project areas, therefore, access to education which was previously the second main priority become first community priority.

**Table 11: Type of sub-projects covered by PRF by sector (Cycle IX – XIII)**

Sectors	Cycle IX	Cycle X	Cycle XI	Cycle XII	Cycle XIII	Total	%
Agriculture and Forestry	19	18	38	41	21	137	7%
Education	73	94	119	165	264	715	38%
Energy and Mines	3	7	6	2	1	19	1%
Health	10	22	23	23	34	112	5%
Public Works and Transport	45	107	57	75	72	356	18%
Water & Sanitation	112	145	90	132	113	592	31%
Total	262	393	333	438	505	1931	100%

Source: MIS of Monitoring and Evaluation Division, 30 September 2016

### 2.2.11. Percentage of subproject activities that are of high technical quality

Based on the technical audit assessment (2016), the technical quality of sub-projects is generally good, but long term sustainability is a challenge for certain type of sub-projects such as roads or bridges. The study found that 90 percent of PRF sub-projects are of good quality, 7 percent were fair and 3 percent were poor, and that PRF sub-projects were overall equally or more cost-effective than comparable sub-projects found by other sources, except for road due to quality issues.

### 2.2.12. Percentage of improvement in dietary diversity among pregnant/ lactating women and children aged 6-24 months

The Livelihood linked Nutrition Endline evaluation conducted during second half of 2016 in Huaphanh and Savannakhet provinces indicates that over 90% consumed rice in both provinces. Fish was frequently consumed in both provinces. Dark green leafy vegetables and fruits of all types, as well as white tubers, other vegetables, organ meat, and eggs were consumed by more

VNC HHs. In addition, about 85% of mothers reported starting breast feeding within one hour of birth, and all mothers have started within 24 hours of birth.

The results from household survey of VNC member also confirm that the value of the HDDS was slightly increased and trends are apparent in the increased IDDS of VNC members, particularly in children age 7-23 months. In dietary among children have been improved, some children also had consumed eggs, fruits and vegetables. More than 30 % in northern districts of mothers prepare supplementary food at home. Meanwhile 70% of mothers cook and eat food in NVC with their children. Satisfaction with VNC is high with 95% of mothers in both provinces reporting they are satisfied. The MCH, 90% of mothers reported attending the clinics and most of them (99%) were either satisfied or extremely satisfied with the clinics.

#### **2.2.13. Number and type of livelihood activities supported by seed grant**

As updated in September 2016 in the PRF MIS database, there are 9 main selected livelihood activities that have been selected and proposed in the Family Investment Plan (FIP) of SHG members. Majority of loans invested for livelihoods classifying as Livestock raising, including: 1) poultry raising (chicken and duck raising); 2) pig raising; 3) goat raising; 4) aquatic raring (cat fish and frog); 5) crops (maize, cassava); 7) banana growing; 8) vegetable; and 9) weaving. Among those selected activities by women 51% are related to poultry raising, 20% pig raising, 12% goat raising, and 7% for aquatic raring weaving; 2% for banana plantation and 1% for horticulture and cassava plantation. Out of the total number of SHG members, 76% female SHG members are leading these livelihood activities.

#### **2.2.14. Percentage of PRF fully staffed**

As of September 2016, there are 323 staff (including 105 female staff) operating at the central office in Vientiane Capital, 10 provinces and 42 targeted districts. The number of staff at each level and province can be found in Table 9. The total number of existing staff is equivalent to 100 percent compare with the total number of approved positions. The percentage of female staff represents 32.5% which is the same percentage as last year. However, there is a big difference between number of female and male staff between districts, especially for the district staff in Attapeu province where there is no any existing woman staff at the district level while in Luangprabang Province the percentage of the women working at the district level reaches 44%.

**Table 12: Number of staff in each level (Central, province, district)**

Office	Central				Province				District				Village				Total
	Male	Female	Total	% *	Male	Female	Total	% *	Male	Female	Total	% *	Male	Female	Total	% *	
Vientiane	27	14	41	34.15													41
Savannakhet					6	2	8	25.0	14	9	23	39.1	18	6	24	25.0	55
Sekong					7	1	8	12.5	10	3	13	23.1					21
Salavan					7	1	8	12.5	8	1	9	11.1					17
Attapeu					6	2	8	25.0	9	0	9	-					17
Xiengkhouang					7	2	9	22.2	9	4	13	30.8					22
Houaphanh					4	3	7	42.9	17	11	28	39.3	12	17	29	58.6	64
Luang Namtha					5	3	8	37.5	7	2	9	22.2					17
Luang Prabang					5	3	8	37.5	10	8	18	44.4					26
Oudomxay					6	2	8	25.0	12	7	19	36.8					27
Phongsaly					6	1	7	14.3	6	3	9	33.3					16
<b>Total</b>	<b>27</b>	<b>14</b>	<b>41</b>	<b>34.1</b>	<b>59</b>	<b>20</b>	<b>79</b>	<b>25.3</b>	<b>102</b>	<b>48</b>	<b>150</b>	<b>32.0</b>	<b>30</b>	<b>23</b>	<b>53</b>	<b>43.4</b>	<b>323</b>
Percentage of total female staff: 32.5 %																	

Source: Human Resource Unit, PRF, 30 September 2016

The proportions of staff at the three levels as computable of 41, 79, 150 and 53 staff are equivalent to 13%, 24%, 46% and 16% at central, provincial, district and village level respectively. Those proportions of staff are in accordance with the approved organization and positions.

**Remark:** \*: Percentage of female in table X expresses only the female percentage in each individual PRF office at all level. It is not the female percentage compared with total PRF staff throughout the targeted provinces.

The table 13 below shows the number of ethnic staff in each level. This numbers are 6 ethnic staff more than in the last annual report (2014-2015). A total of 61 ethnic staff are working with the PRF respectively 1, 17, 37 and 6 staff for PRF central, provincial, district and village offices.

**Table 13: Number of ethnic staff at each office level**

Level	Number of staff			Ethnic Group		
	Men	Women	Total staff	Total	women	% by level
National level	27	14	41	1	0	2.4
Provincial level	59	20	79	17	5	21.5
District level	102	48	150	37	11	24.7
Village level	30	23	53	6	2	11.3
<b>Total</b>	<b>218</b>	<b>105</b>	<b>323</b>	<b>61</b>	<b>16</b>	<b>18.9</b>
Percentage	<b>67.5</b>	<b>32.5</b>				

Source: Human Resource Unit, PRF, 30 September 2016

**Staff turnover recorded:** During the reporting period, the percentage of staff turnover reaches 9.9% (equivalent to 32 resigned staff). This percentage has decreased by 4.44% compared to the last reporting period (fiscal year 2014-2015), see in Annex 1.

#### **2.2.15. Progress reports prepared on time**

- PRF's provincial reports have been shared with the PRF office at central level every first week of the month.
- PRF at central level has shared its monthly reports with the National Committee for Rural Development and Poverty Eradication every first week of the month.
- PRF Semi-progress report for the period October 2015 - March 2016 has been completed and submitted on time as per the Project Manual of Operations



## Part III. SPECIFIC ISSUES

### 3.1. Meetings and Training

During the reporting period, capacity building activities remained a key focus. Main objective of these trainings is to strengthen capacity of community as well as PRF staff at all levels and Government counterpart. Table 14 summarizes trainings and workshops conducted all along the year.

**Table 14: Workshops and Trainings during October 2015-September 2016**

No.	Training topic
	<b>Engineering</b>
1	Learning Exchange Workshop for PRF Engineers and KDP Engineers
2	Technical Exchange Experiences between PRF's TA staffs
3	Water Cad software training for central and provincial Engineer
4	Social and Environment Safeguard Workshop
5	Bio-engineers workshop
6	Training on Environmental and Social Safeguard, Bio-Engineering application Techniques
7	Annual Meeting
8	Bioengineering Workshop: Design and Construction (Roads)
9	Engineering Refresher Workshop on Survey + Design cycle 14
10	Survey-Design Meeting
11	Implementation training
12	Sub-projects Operation & Maintenance Training
	<b>Monitoring and Evaluation</b>
1	Workshop on PRF Indicators framework
2	MIS data required for reporting
3	Training on Indicators Result Framework for provincial staff
4	Attending "Asia Regional Conference on Community Driven Development" held in the Philippines
5	M&E Division Mid-year workshop
6	Training on SP sustainability assessment and FRM community awareness assessment
7	M&E Division Annual Workshop
8	Result monitoring and evaluation demystified workshop
9	Results-based Monitoring and Evaluation course
10	Cross exchange between provinces
11	Asian Regional Conference on Community Driven Development (CDD), Sapa, Vietnam
12	Revision of PRF2 Implementation and preparation of PRF 3 workshop (MIS improvement)
13	Lower Mekong Sub-region Innovation Workshop for Civil Society Organization, Bangkok
	<b>Community Development</b>
1	On the job training on KDP on CDD
2	Training on building capacity implementation method to community of cycle 12
3	A Social and Environmental Safeguards Workshop
4	A workshop on PPM at local area of Lao

5	Refresher training on Social and Environmental Safeguards for PRF province and district staff
6	Kum Ban Monthly meeting and refresher training
7	Annual District Evaluation meeting
8	Village Social Audit committee training
9	Provincial Orientation meeting
10	District Orientation meeting
	<b>Finance and Administration</b>
1	Refresh training on internal control system, disbursement procedures, producing report from Accpac.
2	FA training on Budget planning (2015-2016), financial management and audit recommendations
	<b>All PRF</b>
1	Annual Review and Strengthening meeting 2016

Source: PRF report from different divisions, 30 September 2016

### **3.2. Consultation Meeting on Social and Environmental Safeguards for Poverty Reduction Fund III**

During 9-14 March 2016, three consultation meetings were held on Social and Environmental Safeguards documentation relevant to PRF III project at the provincial level and March 14, 2016 at the central level.

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) to be applied under PRFIII. The floor was then opened for discussion with all participants who were invited to provide comments. The main comments raised by the provincial level are related to safeguards procedures and requirement is that they are too many and they are too complicated. The summary of questions raised during the consultation at the central level provided is presented as follow:

- 1. Is it possible to keep the same safeguards as for the PRFII and do not add more such as the International Waterways Safeguards Policy?**
  - The International Waterways Safeguards Policy is a triggered policy because some subprojects for construction of irrigation and water supply schemes may use or affect water flow from tributaries of Mekong – Trans Boundary River. Therefore, it has to be applied. Nevertheless, the letter to inform the riparian countries has already been sent, and will be managed at the National level, so it will not create more work or burden for the province and the district level.
- 2. Is it possible to allocate more budget to the agriculture activities in order to promote clean and organic agricultural production that contributes to environmental conservation?**
  - The list of the priorities supported by the PRF are identified and prioritized by the communities. Therefore, it is not a decision that can be made by the project but only by the

communities. The PRFIII will continue to support more agriculture activities depending on community priorities as well as through the Livelihood and nutrition activities and will ensure that the environmental safeguards are strictly applied.

**3. Would it be possible that the PRF support trees re-plantation, especially when trees need to be cut due to sub-project construction such as irrigation? Can the PRF support tree nursery plantation and training for the villagers?**

- Following on the safeguards, the PRF has the obligation to ensure that for every tree that is cut, saplings shall be planted to replace the tree lost. For the infrastructure sub-projects, the PRF cannot support village trees nursery, but it is possible through the Livelihood and nutrition activities, if the Self Help Group would like to develop it.

**4. Can PRF support Land Use Planning to avoid villagers to cut the forest?**

- The PRF supports the community to do village map in order to identify the needs in term of improving access to basic services and nutrition-oriented livelihood. Land use planning require a lot of time and budget that are over what the PRF can support as part of the PRFIII, but the PRF facilitators mandate is to promote sustainable activities, so we will be happy to deliver messages to the community regarding forest management in order to assist the Government. Under PRFIII, planning coordination will be strengthened with concerned government agencies and development partners to improve synergy and coverage of investments.

**5. Is it possible that the PRF use the existing village institutions?**

- Yes. For example, the Feed Back and Resolution Mechanism is now using the existing village institutions. The PRF is only a facilitator between the Government and the communities, so we agree to build on and strengthen the existing village institutions.

**6. How to make sure that the Pest Management policy will be applied by the communities and that they will not use pesticides?**

- This policy is applied in 2 provinces and 7 districts. In these districts, we can advise and monitor the community to use proper pesticides. We will also coordinate with the District Agricultural and Forestry Office (DAFO) to ensure that community members are aware of the Government regulation regarding the use of pesticides so that they will not harm peoples and the environment.

**7. Would PRFIII provide training and support for village veterinary and animal vaccination if livelihood program under the project supports livestock production?**

- Under the livelihood program of PRFII, beneficiaries were provided with technical support and inputs mainly for crop and small livestock production. They were also provided with training on basic animal husbandry and support for vaccination provided by either DAFOs or

the network of village veterinarian volunteers. The PRFIII will continue to provide similar type of support through DAFOs for its selected target villages.

**8. What is the level of the community contribution that is requested by the project and would it be possible to increase the community contribution in order to improve the community ownership?**

- The PRF is supporting the poorest villages in the poorest Kum ban of the poorest districts in Lao PDR. Therefore, the capacity of the community to contribute is less than in better off village, this is the reason why we are managing the community contribution to ensure that we ask community to contribute up to their capacity. On average, the community contribution is around and should not exceed 10%. This is already a significant contribution from the poor community.

## **Part IV. Management and accountability: Specific activities during a period of report**

### **4.1. Administration and finance**

#### **4.1.1. Government contribution**

The Lao Government contribution fund for the cycle XIII “Fiscal 2015-2016” (LAK 16 billion, or (approximately US\$ 2 million) has been approved for transfer to PRF account by the Budget department, Ministry of Finance at the end of September 2016. This fund will be disbursed to support 52 sub-projects through the communities (VIT) bank accounts in 10 PRF provinces, by following the fund flow and disbursement mechanism as per the Financial and Administration Manual.

Regarding, the progress of the Cycle XIII “Fiscal 2016-2017”, LAK 5 billion from LAK 16 billion (approximately US\$ 0.625 million) have been prepared for submitting to Ministry of Planning and Investment. The government contribution for this fiscal year has been allocated to support 16 sub projects for 58 Sub-projects in 10 PRF provinces.

#### **4.1.2. Interim unaudited financial report (IFR)**

**Interim unaudited financial report (IFR):** The PRF ‘s IFRs have been submitted in a timely manner as well as the improvement to the IFRs from quarter to quarter, by following all donors’ recommendations. However, Variance analysis has to be further strengthened using inputs from all divisions.

#### **4.1.3. External Audits**

The PRF Financial Audit report and management letter for the FY 14/15 fiscal year has been submitted on time (end of March 2016) and considered unqualified and satisfactory by the World Bank. There were a minor finding and recommendation from the auditor regarding the cheque payment vouchers in Xiengkhuang Province was not certified by provincial finance officer. Regarding this, PRF agreed with the auditor’s recommendation regarding the cheque payment vouchers were appeared without certified by provincial finance officer. It is due to PRF Xiengkhuang finance officer whi resigned from PRF and therefore, there was no new provincial finance officer to replace him yet during the period from April to May 2015. However, during that period all supporting documents were prepared by provincial finance assistant and approved by provincial coordinator without certified by provincial finance officer.

The Financial Audit Process (from 1<sup>st</sup> October 2015 to 31<sup>st</sup> December 2016) will be conducted by Ernst &Young during January to February 2017, expecting for submission the Financial Audit Report at the end of June 2017.

#### 4.1.4. Summary Decentralized Budget Planning Experience Cycle 13

The PRF's PMT started piloting the process of the annual budget planning preparation using bottom up approach for Cycle 13, in August 2015. The objectives of starting the budget planning using bottom up approach are to enable:

- preparation of realistic budget with all stakeholders involved in the preparation;
- Provincial and district levels to create/estimate their annual budget planning by themselves by referring to the actual activities implemented at each level and better knowledge of the actual situation/circumstance in the field/location to which the activities are implemented (bottom up approach);
- each level (Central, Provincial and District) to monitor and keep track of their own budget (improving accountability).

The process started with the planning and budget preparation at the district level. District budget plan is then submitted to the Provincial level. PRF at provincial level prepares their own budget based on work plan and consolidates the budget submitted from the district level. Provincial level budgets are then consolidated with the central level budget to form the project annual budget.

During August 2015, the F&A, TA Division, including procurement unit provided two technical workshops related to the technical preparation of the planning and budgeting using bottom up approach for finance and divisional staff of all levels (central, province and district).

On completion of the technical workshop, specific budget form was provided and deadline for completion of the budget was agreed with all levels. Summary of agreed actions and deadlines are as follows:

<b>Actions</b>	<b>North</b>	<b>South</b>
District submit annual budget to provincial level	No later than August 31	No later than September 11
Provincial to consolidate district budget and submit provincial budget to central level	No later than September 9	No later than September 18
Related technical division review and endorse provincial budget, including submission of central level budget	September 11-21	September 18-25
Central level F&A review and consolidate into project annual budget	September 22-25	September 26-30

In case of lack of clarity on the annual budget planning from provincials or districts level, each division was responsible to coordinate with relevant level for clarification/further information.

All level budgets were supposed to be finalized and ready for implementation from October 1, 2015. However, in reality, the budget was only finalized in November 2015 when activities for Cycle 13 have already started.

### **Lessons learnt and Challenge**

Based on the early stages of implementation (since August 2015), we observed the following lessons learnt and challenges:

- Delay in submission of budget plan. Some provinces and districts performed well in preparing and submitting their budget plan as required and on time but some did not, including central level divisions. The F&A division has to repeatedly follow up with each level to ensure budget plans are submitted. The delay in submission resulted in delay in finalization of the project budget. Budget was finalized in November 2015 when activities for Cycle 13 have already started.
- No monitoring and tracking of budget by related level or division. When reviewing requests for funds, the F&A division noted that some of the budget lines are already overspent but requests are still made against the line or some budget line are not used at all or are not included in the approved/finalized budget. This has led to another review by PMT and adjustment made to accommodate the request;
- The timing for implementation is too short e.g: duration of training and preparation of the annual budget planning is too short. As provincial and district staffs do not have prior experience on bottom up budget planning/budgeting, they need to learn by doing;
- Involvement from each division at central level in annual budget planning is still lacking. We found that some technical staff of related division responsible for reviewing budget and plan do not pay sufficient attention in the review which ultimately resulted in incomplete plan and unrealistic budget. Some activities activity listed in annual budget planning are still not finalized with provincial and district level if compare to the actual activity implementation in the field which result to overlap/lack of estimation cost in annual budget planning. Detailed activities at each level need to be confirmed by technical division. Staffs in the field are still confused about the activities stated in the budget form as compared to the actual activities previously conducted in the field. This causes confusion and difficulties in estimating the budget. There is no coherent systematic system of planning & budgeting between central division and province and district for technical work. This needs to be enhanced for this process to work.

- Provincial and district level staff capacity to plan and estimate budget is still relatively weak. Advice is still required from both technical and F&A division. This is because in the past, central level was the level in charge of the planning and preparing the budget for all levels;
- Standard unit cost was not able to be used of all activities. Therefore, the whole process experienced some difficulties in estimating the cost for each activity. Moreover, costs could be different for the same activities implemented at different locations due to transportation issue and local culture/practices issue. Variables used in the calculation are not uniformed across;
- Information about the exact number of sub-projects are not known prior to commencing the budgeting process due to the information of number of sub-project can be available only after the confirmation meeting (planning cycle ending).

**Suggestions for improvement:**

- For the annual budget planning, each division should allocate a focal person who will responsible for reviewing the budget from lower level as well as coordinating with the F&A division. To achieve realistic and complete budget, this system and the coordination between divisions/units needs to be improved;
- Each division should review and confirm detailed activities to be implemented at each level and conduct the refresher training to provincial and district staff;
- Each division should establish a coherent and systematic way of coordinating the planning and budgeting process with their related counterpart at each level;
- Timing for commencing and completion of the process needs to be reviewed and adjusted to ensure timely submission of error free and realistic budget, ample time for review and finalization of budget before the beginning of each cycle. Information required about the process and estimation should also be carefully reviewed and discussed.
- External expert help would be beneficial to improve the whole process, including helping in setting up standard costing; and
- Each level should review or monitor their budget each time the request is made and on a periodic basis. Any adjustments can then be discussed and revision made to reallocate or provide more budget as required.



#### 4.1.6. Disbursement

As of September 30, 2016 disbursement reached 95% for the IDA grant (H6850), 51% for IDA credit (56770) and 100% for the MDTF (executed trust fund grant (TF 12419)) The Swiss Agency for Development Cooperation (SDC) disbursement rate reached 90% and the Government of Lao's contribution 59%.

**Table 15: PRF II Financing - Disbursement (as of September 30, 2015)**

Source of Financing	Disbursement as of September 30, 2016 (US\$)	Disbursement (Percent of Total Allocated by Source of Financing)	Total Allocated (US\$ )
WB (IDA6850)	23,821,711.26	95%	25,000,000
WB (IDA56770)	5,911,652.68	51%	11,600,000
MDTF (TF12419)	16,899,961.97	100%	16,900,000
SDC	15,584,179.00	90%	17,256,000
GOL	5,931,960.29	59%	10,000,000
OTHERS	1,021.04	0%	0
<b>TOTAL:</b>	<b><u>68,150,486.24</u></b>	<b><u>84%</u></b>	<b><u>80,756,000</u></b>

Source: PRF FA Division, 30 September 2016

During the reporting period, PRF has preceded withdrawal application (SOE "statement of expenditure) from the donors" total amount of USD 10,913,403.70 (USD 910,493.31 from IDA6850, USD 7,714,962.13 from IDA56770, USD 2,287,948.26 from TF12419 and USD 3,620,000 from SDC)

**Table 16: Summary of fund use**

Fund Source	Fund Received FY 2015-2016 (US\$)	Expenditure FY 2015-2016 (US\$)	Percentage of Uses
WB (IDA6850)	23,821,711.26	23,821,711.26	100%
WB (IDA56770)	7,714,962.13	5,911,652.68	77%
MDTF (TF12419)	16,899,961.97	16,899,961.97	100%
SDC	17,256,000.00	15,584,179.00	90%
GOL	5,951,198.53	5,931,960.29	100%
OTHERS	0.00	1,021.04	
<b>TOTAL:</b>	<b><u>71,643,833.89</u></b>	<b><u>68,150,486.24</u></b>	<b><u>95%</u></b>

Source: PRF FA Division, September 2016

**Table 17: Expenditures by component**

Description of Component	Expenditures (2015-2016), ended September 30, 2016	Percentages
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Village Subproject Grants	12,502,215.19	68%
Capacity Building	1,833,061.24	10%
Project Management	2,815,970.36	15%
Livelihood and Nutrition	1,125,155.26	6%
<b>TOTAL:</b>	<b><u>18,276,402.05</u></b>	<b><u>100%</u></b>

Source: PRF FA Division, 30 September 2016

During the reporting period, PRF has spent a total amount of USD 18,276,402.05 (USD 12,502,215.19 supported to the village subproject grants, USD 1,833,061.24 was disbursed for the capacity building, IEC materials and subproject monitoring activities, USD 2,815,970.36 was used for the project management activities and USD 1,125,155.26 supported to Livelihood and Nutrition activities).

The details of the procurement activities during the fiscal year 2015-2016 can be seen in annex VIII.

#### 4.2. Monitoring and evaluation

During the reporting period, the M&E team has performed different tasks in order to strengthen the system that can capture all key data related project activities, especially, some suggestions mentioned in the last donors' supervision mission (July 2016), including:

- ***Change of M&E focus and design to reflect comprehensive developmental approach and continuing soft support after infrastructure is completed.***

The M&E team has further developed the PRF M&E framework to reflect a comprehensive developmental approach focusing on all stages of the project cycle and the continuing soft support after infrastructure construction.

The M&E system now monitors comprehensive data related to all key steps associated with sub-project planning, implementation and post-handover to community. These data include indicators of achievement as well as data required for project management and process monitoring. The PRF M&E team now follows up the status of all PRF's sub-projects (Cycle IX to Cycle XIII from 2012-2016) in order to evaluate the factors influencing sub-project sustainability.

- ***Robust system for data verification at entry.***

The MIS system has been further developed and now includes a robust system for data validation and verification at data entry. The MIS data are entered offline and are checked by concerned staff and finally by the provincial coordinator before data are uploaded to the server and incorporated into the MIS database. Once in the database, these data can be used by all provincial and national staff. New TOR have been developed for PRF III clearly indicating M&E responsibilities of all district staff related to form completion, and checking all data in the forms after completion all key activities in each cycle.

- ***Eliminate parallel channels of information.***

Parallel channels of information and duplication of data in spreadsheets held by different units have been eliminated. The M&E team has developed a manual of PRF II (AF) and PRF III's results indicators and data used for project management. This is important to ensure that all staff with M&E responsibilities are clear on their roles, and on indicator definitions, data sources and data collection methods so that data are collected accurately and consistently and at the appropriate time to meet the needs of PRF reporting.

- ***Develop process and system for evaluation outcomes.***

The system can capture all key data that can be used for achievement indicators as well as progress report, including the status of all supported sub-projects (use/unused, the functioning of O&M committee, type and source of maintenance, satisfaction, etc.). The M&E team has also worked closely with external consultants for external evaluations including the endline survey evaluating the PRF II performance.

#### **4.4.1. The performance of Monitoring and Evaluation System**

During fiscal year (2015-2016), the development of the PRF M&E system emphasized both staff capacity building and system improvement. The achievements of M&E team can be highlighted below:

- Following completion of the M&E manual covering all indicators in the PRF AF results framework as well as those for PRF III, the first training to the PRF related results framework was conducted in August 2016 (all PRF national and M&E staff attended this training);
- Simple guidelines have been included in the manual for key MIS data covering the precise definitions of each indicator, data sources, schedule of data collection, and key responsible persons;
- All forms used in PRF II were reviewed and updated for PRF III. Information in each form that was duplicated in other forms or not used was removed, only retaining information essential for the purposes of reporting and project management. This was a collective endeavor with the participation of, and agreement among, PMT members;
- The MIS was revised to ensure data entry forms clearly reflected the revised paper forms to ensure data entry was efficient and systematic.

The M&E team now routinely shares PRF progress with the GoL using simplified Lao language reports. This is in addition to PRF routine reporting to donors and GoL in English. A 13-Years Achievement Report has also been produced capturing key PRF experiences and lessons since commencement in 2003 (only Lao version, see summary in Annex 5).

Following redesign/revision of the MIS it will be web-based and widely available to all PRF units and provincial staff. This will allow all units/provincial staff to fulfill their responsibilities for data entry and checking for accuracy and completeness, as well as avoiding duplication of data in separate spreadsheets. The new MIS database is expected to be fully operational and in use by the end of 2016.

#### **4.2.2. PRF III's Indicators Manual**

The PRF III results framework uses many of the same indicators as PRF II. However, there are a number of revised project indicators. A project indicators manual has been developed with the objective to clearly describe definitions for each indicator, their data sources and calculation methods. The PRF III results framework indicators consist of eight PDO and thirteen IRR indicators.

A number of additional indicators, and other key data are also described in the manual. Those data are needed to support sub-project planning and the preparation of various reports, and include information on basic village population, poverty rates, participation at meetings and training, village priority selection, and the quality of sub projects.

#### **4.2.3. Progress of PRF III MIS database**

The PRF MIS has been progressively strengthened over the past two years of PRF implementation and now accurately captures all data relevant to the results framework of PRF II and PRF AF including data on LN activities. An ONLINE and OFFLINE system has been developed to avoid any difficulties with internet connections at district and provincial levels as well as enabling data checking before incorporation in the database.

The MIS has also been extended to provide accurate budget information, HRM information and data on capacity building.

A number of further activities are recommended to strengthen the MIS integrity and efficiency of data entry and analysis:

- Data validation processes will need to be strengthened including checks for duplicated data, and data that are out the range of normal values;
- Capacity building is required for all key staff who work in data entry, analysis and report generation. Data collection and ideally also data entry should have done at the district level, followed by checking and verification at provincial offices. Once verified the data can be uploaded to the 'online' system. All PRF II data are then maintained and backed up at the PRF central server. Data processing, analysis and reporting is predominantly undertaken at the central level;

The contract with the MIS database consultant commenced in September 2016 and it is expected to require 2-3 months for MIS re-development, testing, installation, documentation and training.

#### **4.2.4. End-line survey by Indochina Research**

Prior to the survey field work, the M&E team participated in the training on survey processes and questionnaire administration. Questionnaires were revised and improved to ensure information accuracy, validity and coherence. Data collection was completed in October 2015.

Initial findings indicate that PRF supported sub-projects have had a positive impact on communities in targeted villages and nearby villages in the kumban.

In overall, the implementation of the PRF is deemed satisfactory and supported sub-projects have a positive impact on communities' living especially to those in targeted or near areas. The Impact Evaluation (IE) found the PRF II improved rural population' access to infrastructure services. Access to protected water increased by 58 percentages in villages where PRF II implemented water sub-projects in comparison to control villages. Travel time to the nearest village is reduced on average by 114 minutes in the dry season and 73 minutes in the wet season in villages where the PRF II implemented road sub-projects. PRF II road sub-projects do not seem to have a significant impact on the travel time to or the frequency of visit to district centers, because the PRF II mostly rehabilitated short sections of roads connecting between village settlements or villages to farmlands, while roads between the district centers and villages tend to remain poor. PRF beneficiaries report, however, that outside traders started to visit villages more often following road rehabilitation by the PRF, leading to an increase in income as villagers are now able to sell their products to visiting traders or the price of goods sold inside villages significantly declined.

#### **4.2.5. Geographic information system (GIS)**

The following highlights the GIS work completed during the reporting period:

- Rechecked sub project locations of Cycle IX, X, XI, XII and XIII of all the 10 target provinces and 42 districts;
- Produced maps that capture Kum ban areas, "Sam Sang" locations and priority areas of the Government (both Lao and English);
- Updated Kum ban maps and maps of the Government electricity dams project within PRF target areas for two pilot Kum ban in Thapangthong district in Savannakhet;
- Continued developing sub project locations of Cycle XII and preparing data to produce maps for Cycle XIII
- Produced maps of national conservation areas within PRF target areas to assist in identifying sub projects with social and environmental impact potentials.

#### **4.2.6. Experiences of Monitoring and Evaluation System**

As already mentioned in the last semi-progress report, through the implementation of PRF II, Monitoring and Evaluation System is considered to be an important component of project; however, PRF had faced different issues (both internal and external) that have influenced its implementation. Those factors are considered as key challenges but also lessons learnt that we can be strengthened for future implementation especially for PRF III. The challenges and impacts as well as solution proposed by the M&E team are summarized below:

<b>Challenges</b>	<b>Impacts</b>	<b>Solutions</b>	<b>Solutions Status</b>
Some unnecessary data entered to the system (useless)	Difficulties to focus on the analysis of key data and time spent to check all data	<ul style="list-style-type: none"> <li>• Prioritizing key data and information that should enter to the system</li> </ul>	Implemented during November 2014 and done in 2016 for AF period and PRF III
Lack of understanding about the role of M&E system by other divisions and units.	It is hard to evaluate the performance progress of project/missing key data to support achievement indicators.	<ul style="list-style-type: none"> <li>• Conducting training for key projects management team.</li> <li>• Inform about the key of M&amp;E and its roles to the project to all staff in each division</li> <li>• Include monitoring activities in staff performance review (added in TOR)</li> </ul>	Develop M&E manual and conducted training, implemented in December 2014; September 2015 and August 2016
Data and information are provided by different divisions and units from different levels with different formats.	Inconsistent data, poor data quality	<ul style="list-style-type: none"> <li>• Set up explicit guideline about which data to provide by which division</li> <li>• Make sure that a particular type of data comes from only one data source</li> <li>• Set up a team as one person from each division to double check data</li> <li>• Standardized the form for all divisions and units.</li> </ul>	Implemented since October 2015 and also July 2016 (Finalized PRF III form in PRF III database.
Some key data is not entered in the MIS database	Incomplete data, inconsistent data overtime	<ul style="list-style-type: none"> <li>• Inform the importance of having complete data to data entry persons (provincial and district ME staff)</li> <li>• Formally explain and inform data entry persons about what key data is required to be entered</li> <li>• Set clear and strict deadline for each key data to be entered into the database</li> </ul>	Implemented regularly
New forms are developed after MIS already firmly established	Difficult to include new data in the database	<ul style="list-style-type: none"> <li>• For any change should discuss with MIS officer or M&amp;E team.</li> </ul> Set up additional budget for MIS modification or minor change.	Implemented during the medication of MIS Database system 2015

Source: Monitoring and Evaluation Division as September 2016

### 4.3. Community Development

### 4.3.1. Expand of Deepening Community Driven Development “DCDD”

After the success of the “Deepen CDD pilot in 5 districts implemented during the cycles 12, the pilot has been scaled up during the cycle XIII in three additional districts, following the scaling up of the LN activities (Xiengkhor district and Huamouang district of Huaphanh Province and Thapangthong district in Savannakhet Province) in order to ensure synergies between LN activities and the PRF activities, particularly in the ranking of household’s poverty and identifying of priority needs for the village.

**Table 17. The new target areas of DCDD in Cycle XIII**

No	Province	District	# of Kumban	# of Village/Hamlet conducted VDP	# of HH in the Village	HH attending the		# of Participants Attention				
						# of HH	% of HH	Total	# of Women	% of Women	# of Ethnic	% of Ethnic
1	Savannakhet	Thapangthong	6	26	3,879	3,418	88%	3,419	2,176	64%	2,931	86%
2	Huaphan	Xiengkhor	5	44	3,098	2,876	93%	3,392	1,964	58%	1,710	50%
3	Huaphan	Huamouang	8	66	4,537	4,176	92%	4,720	2,834	60%	4,090	87%
<b>Total:</b>			<b>19</b>	<b>136</b>	<b>11,514</b>	<b>10,470</b>	<b>91%</b>	<b>11,531</b>	<b>6,974</b>	<b>60%</b>	<b>8,731</b>	<b>76%</b>

### Lessons learned from the Expansion of CDD and integration into the LN in cycle 12

- After having been trained as Training of Trainers (TOT) on Local Participatory planning, LN staff became the key facilitators and assisted implementation of Village Development Plan (VDP) & Kum ban Development Plan (KDP) in cycle 12 which allows to fasten implementation of the planning stages;
- The capacity of LN staff had been improved, particularly on how to use the IEC tools for communicate with the community peoples and this is also more appropriate for strengthening the self-help group (SHG) members, who are the heart of the LN;
- Collecting data is more difficult than before, because many forms was used and more data need to be collected at the household level;
- Collecting information on nutrition using filter (check) or MUAC to find malnutrition nutrition of children in the community is difficult. As a consequence, the data collected are not consistent with the reality.

### 4.3.2. Extension the DCDD in Cycle XIV

In cycle 14, PRF had expand the DCDD in parallel of piloting linkage between village and kum ban development plan and District Social - economic development plan (DSEDP) for the fiscal Year 2016-2017.

#### Objectives of DSEDP:

- To ensure the mobilization of fund sources from all rural development projects to support the Annual District Socio-Economic Development Plan and to ensure proper use of the budget available.

- To ensure the priorities of each Kum ban and all activities will be support by others development project, NGOs in the district and included into the annual District Socio-Economic Development Plan.

**Table 18: The new coverage of DCDD in Cycle XIV**

No	Province	District	Number of Kum bans conducted KDP		Number of Villages conducted VDP	
			Total	PRF areas	Total	PRF targeted
1	Oudomsay	Beng	5	3	24	16
2	Huaphane	Xam neua	12	7	106/89	59
3	Luangprabang	Phonxay	9	8	59	52
4	Savannakhet	Sepone	12	12/15	62/88	62
			38		254	

*Source: PRF CD Division, September 2016*

#### **Lessons and Issues**

- Planning at the Kum ban level as Kum ban Development Planning (KDP) is crucial, because help to screen priority of villages that can benefit several villages in the Kum ban rather than benefit to only one village;
- To make sure that local planning is line with the DSEDP. Therefore, each village should have their own VDP;
- Government concern sectors such as: district planning office, rural development office, Lao women Union, Lao Young Union, etc. Who are the facilitators in the local planning stage are automatically encouraged to enhance and empower communities; and
- Budget allocation in the annual DSEDP should consider about the ratio between urban and rural (village and Kum ban level) investment and prioritize investments in rural areas.

#### **4.3.3. Feedback Resolution Mechanism**

During the PRF Cycle XII preparation, the WB team advised PRF to prepare the IEC tools in order to facilitate/motivate community members to better understand the objective and benefit of the FRM and select a village social audit committee. These tools applied into each target pilot areas of deepening CDD. The Village Social Audit Committee members are 5 community representatives (two of them should be women and 1 person should be a teacher) and some of them comes from the Village Mediation unit which is part of the official village administration structure

To build the capacity of the Village Mediation unit at the village level on FRM (the committee in target village of sub-project cycle XIII), the PRF district and provincial team have organized a training in the 8 CDD target districts on FMR, Social and environment safeguards and Village Social Audit training for Village Mediation unit at village and Kum ban, (including KBF and FN at village level) of PRF Cycle XIII from March to June 2016



#### **Some suggestions to improve the FRM:**

- 1) Updated FRM form with the M&E team (Make it simply for community) for the PRFIII based on lessons learned from PRFII;
- 2) Separate per diem and transport cost for the FRM committee;
- 3) Monitoring on FRM in each target province 2-3 village/province in every cycle of PRFIII, and activity might be under the responsibility of the M&E or Audit unit team;
- 4) To improve awareness of the community about the FRM mechanism, all PRF staff (included LN staff) should include the FRM activities into their work plan when visiting villages, and all feedback from LN areas should be submitted to the M&E division,
- 5) Sub-project impact and also role play are very good tools that should be part of the FRM and Social audit training. It will help to make sure trainees more actively participating during the training and understood all topics.

#### **4.3.4. Information Education Communication (IEC)**

During this reporting period, several IEC tools were completed, including: regular newspaper, radio, and Television programs release. The main topics are presented on this progress report and related to the implementation process of district development plan, Kum ban and village development plan, progress of the sub-projects implementations, promote deepen CDD approach, good practices of Community O&M of the sub-project, Women empowerment and leadership, Gender and Social Ethnic Inclusion Promotion, PRF results and achievement; etc. (at least 10 news per month). PRF-IEC has also regularly uploaded all tools, guidelines, manuals and news including clips of community implementation projects on the PRF website.

The IEC team has completed the improved full CDD tool kits (blue bags) and distributed about 370 sets in the **Pilot Deepen CDD** districts for communicating with community during the planning stages of PRF and LN Cycles. Furthermore, in between January to September 2016, the IEC team also printed guide book and posters, technical livelihood booklets, SHG microfinance bookkeeping, saving books and nutrition flip books related to the GESI and LN activities. All items are available and used when organizing the training and capacity building activities (Detail of IEC tools in Annex 7).

#### **4.3.5. Social Safeguards**

Key finding on Awareness of Social Safeguards requirements under the PRF II:

Overall PRF staff have strengthened their understanding on social safeguards. Interviewed provincial and district level PRF staff generally describe social safeguards as: *“what we do to prevent negative impacts of the project and lower the risk of problems occurring during implementation”*. It is furthermore understood that the safeguards will generate *local ownership* and lead to *sustainability* of interventions, while not paying attention to the Safeguards could lead to increase of poverty in target population rather than poverty alleviation.

The PRF staffs have awareness of the social safeguards that are used during the implementation process. However, most attention is focused to the planning phase. Furthermore, the documentation of social safeguard implementation is merely related to the

planning phase (e.g. participant lists for village vision meetings indicating participation of women and ethnic groups), whereas no documentation for implementation in later phases (e.g. documentation of follow up visits). Interviewed District Government Counterparts likewise associate ‘Social Safeguards’ with prevention of negative impacts, mainly by keeping communities well informed and ensuring their participation in discussions of solutions to potential issues, such as land and labour contributions. It is understood that increased awareness of project rules and objectives will lead to greater community satisfaction and less complaints.

**Suggestions from the consultancy:** In order to generate greater awareness of the safeguards’ relevance to all parts of project implementation among Project staff, it is suggested to design social safeguards training as a component in every technical training of PRF staff rather than as a separate training. In order to document safeguard implementation, it is suggested to develop a simple ‘planning’ tool – a list of all steps in the implementation – on which VIT, Kumban Facilitators and district staff can indicate that each step has been taken, when it was done, who facilitated it and what was the output.

**Table19: Summary on Social safeguards impacted during Cycle XIII**

No	Description	C13
0	Total target Province	10
0	Total target District	42
1	Total target Kum Ban	278
2	Total target Village	1,951
3	Total Sub-Project in cycle	505
4	# of Village Resettlement in cycle	0
5	# Sub-project effected to Personal Poverty and Land (SP)	44
6	Total of HH were affected	133
7	Total of personal poverty and Land were affected (m2)	1,308
8	# HH affected < 5% compared to their property	133
9	# HHs were affected <5% and contributed land for free	105
10	# HHs were affected <5% and they got compensated	9
11	# HH affected > 5% compared to their property	39
12	# HHs were affected > 5% and got compensated	1

Source: PRF CD Division, September 2016

#### 4.4. Engineering key work

##### 4.4.1. Summary the main achievement in from 2015-2016

###### - The progress of Cycle XIII implementation

The construction work covers both subprojects under the Government funding and IDA one. The implementation has progressed well and there are only few sub-projects that needed more attention in term of monitoring, especially the bridges and the weirs construction. Nevertheless, in some district, sub-project monitoring will have to wait until the river water level going down. Compare to the other cycles progress at the same period, the

implementation in Cycle XIII is late compare to plan and mainly due to a longer raining period this current year.

- **Survey and design**

- The survey and design activities in Cycle XIV (PRF III) were carried out by district and provincial Engineer team and it is planned to submit the sub-project list for approval by the donors at the end of 2016.
- The GoL list of the sub-projects is completed and sent to the government list for budget allocation in the fiscal year 2016-2017. The report of the survey and design will be done separately by the survey officer.

**4.4.2. Participated on the water use workshop in Cambodia**

The PRF engineering representatives participated the water conference organized by water association in Cambodia. The objective of the workshop is to strengthening the micro enterprise in the local area to participate into the water system and to manage the system properly at the village level. Right now the Namsaath are working with other NGOs, so the PRF will play the role of coordinator between community and micro enterprise work together.

**4.4.3. Engineering annual workshop**

The workshop was organized in Vientiane, capital. The mains topic discusses were as follow:

- The quality control of the subproject and the form were reviewed according to the experience of the all engineers at the provinces and districts
- The Environmental safeguard form were trained to PRF Engineer in 10 provinces
- The unit cost for the subprojects in cycle 13
- Operation and maintenance review the manual
- Disaster Risk Management
- Survey and design form reviewed
- The demonstrate the video construction of the PRF infrastructure

All the comment will be reviewed in the form and finalized before PRF III start.

**4.4.4. The pilot project on Road Maintenance Group**

This road maintenance group (RMG) will be applied in PRF III. The pilot RMG will cooperate with PWT and district authority will be the leader and the community will benefit from the road maintenance in three years. The guideline and the process will prepared by an independent consultant during the ICR mission.

**4.4.5. Primary school Community Force Account sub-project**

The sub-projects implemented by the community were piloted in three provinces, five districts and five sub-projects. The sub-projects are completed and hand over to community and

concerned sector. These subprojects are the community priorities and they have decided to build it without using construction company.

The implement process had faced the following issues:

- The community skill labor could not be find in the local area and they have very limited experience in the construction;
- Lack of the site supervisors engineer in the provinces; and

The capacity of the community to manage the subproject was weak.

The team will use the opportunity of the ICR mission to organize a field visit in order to learn more about the challenges that was faced by the community during the implementation.

#### **4.4.6. Volunteer student**

In cooperation with Champasak University PRF recruited 12 Voluntary Student Engineers as interns to conduct a technical quality review and make independent quality reports on 43 PRF Cycle XII sub-projects in Saravan and Sekong Province. The final year of student engineers are in between field work counted towards their final results. They were supervised by their University Professors during the quality review.

Training of the interns on PRF Quality Standards, designs and specifications and technical quality reporting formats was conducted at Champasak University Faculty of Engineering on February 3 - 4, 2016. The "Introduction to PRF" was open to all students and teachers who wished to attend, while the technical training focused on the students who would conduct the review.

The main objective of the pilot is to conduct an independent technical review of sub-project quality and to learn from the findings to improve sub-project quality in future. Many students at Champasak University are from the PRF target communities, and two out of twelve were female engineers. PRF also hopes to improve recruitment of local engineers, particularly female engineers, both as permanent staff and as Community Construction Supervisors hired by communities for sub-project construction. Locally recruited engineers with family in the target villages are particularly suited to working as Community Engineers.

#### **4.4.7. Suspension bridge of Helvetas**

The suspension bridge was built in Louang Namtha province, at Nalea and Long districts. The pilot is based on the construction of three suspension bridges using Nepalese technology that allow to significantly reduce the routine maintenance. Due to the failure from the vietnameese factory to produce the steel parts, significant delays impacted the construction progress. Fortunately a factory was found in Vientiane with the capacity to build the required spare parts. Therefore, an additional request to use the Innovative fund (US\$76,000) was sent to SDC and approved in Decemebr 2016, which allowed to go ahead with the implementation of the three

suspension bridges. During the reporting period, all the required spare parts have been produced and will be delivered on site by October 2016. All three bridges are expected to be complete by the end of this year.

#### **4.4.8. Government team to inspect the subprojects for GoL fund**

The follow up on the implementation of the government team was set up in the last cycle of the PRF II. This visit was made for Cycle XII GoL fund subprojects. This field visit inspection aimed to meet and discuss with the community during visual inspection of the physical progress and budget allocation. The visit was randomized for inspection based on the team discussion and depends on the number of the subprojects in each cycle. The team is composed of representatives from national assembly, ministries of planning and investment, ministries of finance, national committee for rural development and poverty eradication and poverty reduction fund.

#### **4.4.9. Quality Control**

To guarantee the quality of the sub-project, the Engineering division has developed a strategy to review the QC form, and train all engineers and the community members before the sub-project construction starts. The QA officer will regularly monitor the quality of the sub-projects and report to the QA consultant.

The key issue related to Quality Control should focus on the following:

- Ensure the Quality engineer has all the skills and experiences to follow up/ supervise the sub-projects on site;
- The document keeping and filling control at district and village level; The new tools to monitor the subproject and report from kumban and district team

#### **4.4.10. Environmental safeguard**

The new safeguards monitoring form was developed and a training on how to use this form has been conducted to all PRF Engineers. The monitoring is organized around three main parts following this form: first phase the initial status of the construction site needs to be assessed; second phase is during the construction phase. During the implementation phase, the monitoring will be conducted depending on the number of inspections and activities during construction; and third phase at the end of the completion and before hand over the sub-project to the concerned sector and the communities.

#### **4.5. Human Resources**

As already mentioned in section 2.2.14, a total of 252 staff (including 75 female staff) are operating at central office in Vientiane Capital as well as in the 10 provinces and 42 targeted districts. The total number of existing staff is equivalent to 100 percent compare with the total number of approved positions.

##### **Key issues**

Clear policy and strategy, including budget allocation for staff capacity building need to be established through discussion and agreement between the project and donors, to ensure staff's long term development as well as creation of staff commitment and motivation to work.

To deal with current issue, PRF agreed to hire HR external consultant to help HR officers developing comprehensive policy that can encourage all staff in each level to have better work performance, including annual review and evaluation criteria and rewarded, this work will start in October 2016.

The objective of the consultancy is to assist the Lao Poverty Reduction Fund (PRF) to streamline and improve capability of the PRF staff and the effectiveness of the organization by focusing preliminary on the performance appraisal system as well as the paying and grading system.

#### **4.6. Livelihood and Nutrition Activities**

Through the period of October 2015 to September 2016, the project interventions have reached its new targets in all 80 target villages and original 85 villages. Many types of livelihoods activities (SHG formation, technical training, saving scheme management, basic knowledge on nutrition modules and food process) were continuously implemented through this period including expansion of new SHG in the target villages wherein still required. Data Collection Forms on Livelihoods and Nutrition has been developed and applied effectively as consequence to having available data for comparison with end-line assessment and applying for inputs for ICR. Data entry training was undertaken to responsible staff and all data were stored in PRF MIS. By the end of LONG period, the project could meet target as high as 96% and only missed 4%, regarding the planned 28,800 household beneficiaries.

The below tables show about establishment of self-help groups in the four new districts, as of March 2016. The Project has benefited to 3,629 households covering 27,154 people against planned 28,880 members and 14,400 beneficiaries. In present, the total number of SHGs in 165 target villages established is 696 comprising of 8,170 members from which 7,015 female (91.45%), covering 46,917 indirect beneficiaries from which 24,051 females. Table below is numbers of SHGs in implementing stage

**Table 18: establishment of self-helped groups of four new districts**

Province	Districts		Target Villages			SHG			Current Members and Beneficiaries			
	Old	New	Old	New	Total	Old	New	Total	Mem.	Female	Beneficiaries	Females
HP		Huameuang	0	32	32	0	160	160	1,534	1,533	9,726	4,613
HP		Xiengkhor	0	20	20		93	93	895	895	5,014	2,399
SVK		Thapanthong	0	24	24		120	120	1,200	1,200	6,414	3,193
<b>Sub-total</b>		<b>3</b>		<b>76</b>	<b>76</b>		<b>373</b>	<b>373</b>	<b>3,629</b>	<b>3,628</b>	<b>21,154</b>	<b>10,205</b>
HP	Hiem		20	0	20	67	0	67	972	576	5,832	3,499
HP	Son		20	0	20	68	0	68	1,018	651	6,108	3,365
SVK	Nong		15	4	19	67	18	85	1,180	1,135	6,112	3,020
SVK	Sepone		30	4	30	103	0	103	1,371	1,025	7,711	3,962
<b>Sub-total</b>			<b>85</b>	<b>80</b>	<b>89</b>	<b>305</b>	<b>19</b>	<b>323</b>	<b>4,541</b>	<b>3,387</b>	<b>25,763</b>	<b>13,846</b>
<b>Total</b>	<b>4</b>	<b>3</b>	<b>85</b>	<b>80</b>	<b>165</b>	<b>305</b>	<b>392</b>	<b>696</b>	<b>8,170</b>	<b>7,015</b>	<b>46,917</b>	<b>24,051</b>

Source: PRF LN MIS database as September 2016

Remark: Numbers of beneficiaries in new four villages, Nong district are 1,353 people from which 680 females since October 2015.

The sizes of saving money are stabilized among members and slightly increased based on income, especially in the 4 northern districts, while small size of saving are appeared in the 3 Southern districts. The average saving is 0.25-1.25 USD per member/month. Two tables below show the progress of saving among SHG members.

The pattern of saving among newly expanded SHG is also stabilized since July until Sept, especially in the 4 northern districts. By the end of September 2016, the grant saving amount reaches 89,810 USD of which 55% were released for emergency lending to members. However, the saving money is still lower than seed grant delivered. Table below is summarizing the amount of saving by end of September 2016.

**Table 19: The grant saving amount of SHGs as September 2016**

Dis	# Village	# SHG	# Old Mem	# Old Fem	# New SHG	# New Mem	New Fem	Grant saving as of June USD	July-Sept USD	Grant saving amount as of Sept 2016 USD
Sepon	30	103	1,432	1,025	52	339	320	15,050	2,036	17,086
Nong	19	85	961	945				6,455	778	7,233
Thapangtong	24	120	1,200	1,200	72	720	720	2,675	4,618	7,294
<b>Sub-total</b>	<b>73</b>	<b>308</b>	<b>3,593</b>	<b>3,170</b>	<b>124</b>	<b>1,059</b>	<b>1,040</b>	<b>24,180</b>	<b>7,432</b>	<b>31,612</b>
Hiem	20	67	981	587	36	296	35	15,670	587	16,258
Sone	20	68	1,018	651	27	265	227	7,619	1,675	9,293
Houameuang	32	160	1,533	1,533				9,330	5,550	14,879
Xiengkhor	20	93	893	893				12,794	4,964	17,758

<b>Sub-total</b>	<b>92</b>	<b>388</b>	<b>4,425</b>	<b>2,133</b>	<b>63</b>	<b>561</b>	<b>262</b>	<b>45,413</b>	<b>12,776</b>	<b>58,189</b>
<b>Grant total</b>	<b>165</b>	<b>696</b>	<b>8,018</b>	<b>5,303</b>	<b>187</b>	<b>1,620</b>	<b>1,302</b>	<b>69,593</b>	<b>20,208</b>	<b>89,801</b>

Source: PRF LN MIS database as September 2016

In addition to saving scheme of all SHGs in target districts, the project has disbursed seed grant/money for an amount of 385,575USD to the village bank account of newly formed SHGs (391 SHG with 3,859 members). The average loan size is US\$.100

SHGs under LN have continuously saved money and gradually repaid their loans. It is noticed that the repayment rate is much lower than expected: only 37% in the southern districts and 63%in Northern districts. Meanwhile, new SHG members have been technically supported in learning session of livelihood linked nutrition. The incomes generated among new SHG are under monitoring and provision of technical support from LN districts.

A small number of SHG members have been able to carry out IGA by themselves without LN staff supervision. Those members' capacity should be further strengthened as to develop model families of livelihood development. The good case study of potential SHG members would be necessary documented as a good practice and for scaling out to majority of SHG's members who have highly committed to improve their livelihood conditions.

During the reporting period, the Nutrition activities have been carried out in the existing 23 VNCs in 23 VNC villages in all target districts. Membership of VNC has been revised by exclusion of PoP from VNC and inclusion of only pregnant and lactating women and children up to 24 months of age. Table below shows VNC members who have been beneficiaries from participation in nutrition activities as of Sept 2016.

**Table 20: The Nutrition activities as September 2016**

Item	Districts	VNC	VNC Committee	Members of VNC			
				Pregnant mothers	Lactated Mothers	Children 0- 6 moth	Children 6-24 moths
1	Hiem	6	19	16	28	28	51
2	Sone	2	10	9	13	13	20
3	Sepone	4	12	9	18	18	44
4	Nong	4	14	19	37	37	63
5	Huameuang	3	9	45	21	21	54
6	Xiengkhor	2	10	11	17	17	35
7	Thapangthong	2	8	23	65	32	30
	<b>Total</b>	<b>23</b>	<b>82</b>	<b>132</b>	<b>199</b>	<b>166</b>	<b>297</b>

Source: PRF LN Division as September 2016

Since January 2016, 8 additional Village Nutrition Centers were established in 7 new villages in 3 new districts and 1 VNC in the original district. 82 female members in the VNC management



committee manage all activities in these 23 VNCs. As of Sept, those 23 VNCs have been financially and technically supported by PRF-LN and field staff and district health staff. Only new 8 VNC have been transferred VNC fund for running VNC activities in amount of USD 28,466. In addition to this, MCH have been financially support for health service to target groups and adults in those VNC villages more than 350 people.

Most of data mentioned above are outputs of improved MIS and data from the Endline assessment in August 2016. The assessment report has confirmed project progress and achievement, especially satisfaction on technical and loan delivery: more than 90% of informants were satisfied with the assistance provided by the project.

#### 4.7. PRF Internal Audit Activities

Annual internal audit plan has identified fourteen audits to be conducted during the year 2015/2016, but due to other urgent activity only eleven audits could be completed. IAU completed audits are listed below.

**Table 21: The Audit Plan and current status**

S.no.	Planned audits for the period.	Completed on.	Reason(s) and plan to complete if not completed.
1	LONG National Level (LONG National) (October 2014 – September 2015)	November 2015	Completed
2	PRF National Level –Finance and Administration (FA) (October 2014 – September 2015)	December 2015 – January 2016	Completed
3	Attapue Provincial Office (ATP) (October 2014 – September 2015)	February 2016	Completed
4	Salavanh Provincial Office (SLV) (October 2014 – September 2015)	April 2016	Completed
5	PRF Huaphan Provincial Office (HP) (October 2014 – September 2015)	May 2016	Completed
6	LN Huaphan Provincial Office (HP) (October 2014 – September 2015)	May 2016	Completed
7	Luangnamtha Provincial Office (LNT) (April 2014 – March 2015)	June 2016	Completed
8	Luangprabang Provincial (LPB) (April 2014 – March 2015)	June 2016	Completed
9	PRF Savannakhet Provincial Office (SVK) (October 2014 – September 2015)	August 2016	Completed
10	LN Savannakhet Provincial Office (SVK) (October 2014 – September 2015)	August 2016	Completed
11	Xiengkhuang Provincial Office (XK) (April 2014 – March 2015)	September 2016	Completed
12	Phongsaly Provincial Office (PSL) (April 2014 – March 2015)		We completed on first week of October 2016
13	Oudomxay Provincial Office (UDX)		We will complete on

	(April 2014 – March 2015)		second week of November 2016
14	Sekong Provincial Office (SK) (October 2014 – September 2015)		We will complete on second week of December 2016

Source: Internal Audit Unit as September 2016

Internal audit planning will continue to be implemented during the next couple of weeks and in parallel will continue to follow up with the PMT for all the issues found that have not yet been closed.

## Part V. Cooperation and partnership

### 5.2. Partnership with Water and Sanitation Project

Following on PRF/LONG activities and the need to integrate hygiene and sanitation improvement in villages where PRF and LONG works to strengthen poverty alleviation impact, it was decided to develop a partnership with the Water and Sanitation Project (WSP). The objective of the partnership is as follow:

- Increase collective demand and behavior change among communities and households through CLTS
- Support maternal and child health objectives and principles of LONG through collective action to increase access and behavior change around WASH

Therefore, it was decided to start a pilot project in 4 provinces, 6 districts and 40 villages following the below criteria:

- Overlap with proposed National Health & Nutrition Program, which includes CLTS activities
- Access to supply and sanitation marketing activities (PSI)
- Overlap with PRF II; Water supply projects already complete
- District NamSaat staff already trained (Lamam, Dakcheung)
- Poor health, nutrition and sanitation indicators

During the reporting period, the development of standard operating procedures for the integration of CLTS activities into PRF activities have been developed and triggering started at the village level following orientation meetings and training of the Kum ban Facilitators. Out of the 40 villages selected for the pilot, triggering has been completed in all villages and 42% of the total number of adults in the targeted villages joined the triggering. At the end of September 2016, 38% of the total number of households have already built their latrines, which is considered as a very positive output for such short period of time.

**Table 2: The CLTS activities and current status**

District	# Households	Estimated # adults in the villages	# of people participating triggering	%	# households who already built latrines	Percentage
Sepone	993	3,972	1182	30	100	10%
Nong	310	1,240	375	30	85	27%
Lamam	699	2,800	230	8	642	<b>92%</b>
Dakcheung	256	1,024	289	28	208	<b>81%</b>
Ta Oy	162	648	285	44	21	13%
Phouvong	541	2,164	1480	68	73	13%
<b>TOTAL</b>	<b>2,962</b>	<b>11,848</b>	<b>5,023</b>	<b>42</b>	<b>1,129</b>	<b>38%</b>

In order to ensure good coordination, both organizations are meeting on monthly basis in order to monitor activities progress and solve issues that arise from time to time.

### **5.3. Partnership with the Center for Development and Environment (Bern University)**

During this fiscal year, a concept note has been developed, aiming at producing map at the Kum ban level. The Kum ban level plays a key role in the Bottom-up planning process: The five years District Development Plans, which feed the five years Provincial Development Plans, are Government strategic documents, and include needs and priorities of the province and the districts (Provincial Investment Program (PIP) projects). The five year Kum ban Plans are taken in to consideration in the Five Year District Development Plan. Annual plans are produced, based on the Five years plan to plan priority projects, allocate PIP budget and monitor the implementation of the Five Years Plan.

It was proposed to pilot the Kum ban mapping in two of the 5 “Deepen CDD Districts” but the sampling has been reviewed and the pilot will be implemented in only one district but in all Kum ban within this district. This fiscal year, PRF engineers from all provinces have been trained on using GPS appropriately and entering data in the right software so that maps can be produced for the intend purpose. The list of the infrastructures to be included have been discussed and agreed, and the first quarter of the next fiscal year (October-December) will be used to collect data in the field.

During the reporting period, the PRF team in collaboration with the MAF visited all the villages and hamlets in 2 Kum ban of Thapangthong district (Savannakhet province) and 2 Kum ban maps have already been produced. Based on this experience, contents of the map will be further refined and the exercise will be scaled up to all Kum ban during the first year of the PRFIII.

## **Part VI. Planned activities for the Fiscal Year 2016-2017 (needed to update)**

### **6.1. Highlights**

The PRF action plan for the fiscal 2016-2017, which is the first Cycle of PRF III, has been prepared upon the lesson learns from working experiences of PRF II. Besides the focus on the completion of sub-projects activities and related capacity building activities, an important part of the next fiscal year will be devoted to the preparation of the PRF phase III. A first workshop preparation is planned in October 2015, as well as annual review meeting in September 2016 would be followed by several other workshops and training for all key staff in order to ensure the timely preparation for smooth transition between this current phase and the next phase.

The development objective of PRFIII is continuing from PRF II, which is to improve access to basic services for the Project's targeted poor communities. It will be achieved through inclusive community and local development processes with emphasis on ensuring sustainability. The project comprises of four components.

- The first component, community development sub-grants will finance carrying out of participatory community and local development planning processes at the village and Kum Ban levels; and provision of sub-grants for the implementation of eligible community infrastructure subprojects based on the Kum Ban development plans prepared under the Project;
- The second component, local and community development capacity building will finance provision of technical assistance to build the capacity of Kum Bans and villages to assess their needs and prepare Kum Ban development plans, and to plan, implement and monitor subprojects; provision of technical assistance to build the capacity of provincial and district authorities to facilitate community and local development planning processes and to support and supervise the development and implementation of subprojects; provision of technical assistance to the National Committee for Rural Development and Poverty Eradication to promote participatory rural development in coordination with various sector ministries and other entities supporting rural development in the Recipient's territory; Provision of technical and operational assistance for the development and implementation of partnerships between PRF and other agencies in rural sanitation, nutrition, poverty assessment, and other areas within the mandate of PRF; and Monitoring and evaluation of the activities carried out under part 1 and part 2 of the project;
- The third component, project management will finance the provision of technical and operational assistance for the day-to-day management of the project and the carrying out of financial audits. This will include remuneration of national, provincial and district PRF staff; associated equipment and operating costs; accounting, procurement, financial management (FM), internal controls, auditing, and other specialized areas; and
- The fourth component, Nutrition Enhancing Livelihood Development will finance provision of capacity building assistance to village self-help group (SHGs), with a focus on women's

SHGs in selected communities, to develop and implement nutrition sensitive livelihood activities and to enhance their knowledge of livelihood activities including financial literacy and production cycles; monitoring and evaluation of the activities carried out under Part 3 of the Project, including carrying out of studies on thematic or operational innovations and participatory assessments of nutrition training.

## **6.2. Details of planned activities**

### **6.2.2. Finance and Administration**

In annual budget planning, each division should pay more attention and give priority to this by allocating a focal person in each division who will be responsible for reviewing the budget from lower level as well as coordinating with the F&A division. To achieve realistic and complete budget, this system needs to be improved as following tasks:

- Each division should review and confirm detailed activities to be implemented at each level and conduct the refresher training to provincial and district staff;
- Each division should establish a coherent and systematic way coordinating the planning and budgeting process with their related counterpart at each level;
- Timing for commencing and completion of the process needs review and adjusted to ensure timely submission of error free and realistic budget, ample time for review and finalization of budget to be in time for implementation before the beginning of each cycle. Information needed commencing the process and estimation should also be carefully reviewed and discussed.
- External expert help would be beneficial to improve the whole process, including helping in setting up standard costing; and
- Each level should review or monitor their budget each time the request is made and on a periodic basis. Any adjustments can then be discussed and revision made to reallocate or provide more budget;

As this is the first time of PRF to conduct the decentralized budget planning from (Bottom up approach), it's a new challenge and lesson learnt for PRF to improve going forward.

### **6.2.3. Procurement activities**

- Conduct the bid opening for the remaining contracts as mentioned in the Procurement Plan for PRF and PRF-AF
- Prepare the Procurement Guideline for VIT for sub-project
- Conduct the procurement training for VIT for CDD pilot districts, which have been scheduled for beginning of November 2015
- Assist the VITs to conduct the bid opening and evaluation for sub-projects using CFA on CDD
- Conduct bid opening and evaluation for CDD sub-projects
- Prepare the Sub-Project Procurement Plan for sub-project for Cycle XIII
- Follow-up on the progress of all the sub-projects in Cycle 12

#### **6.2.4. Human Resources**

- Working closely with project management team and HR Consultant to review all staff TORs for PRF III
- Working closely with project management team and HR Consultant to review staff performance appraisal system
- Working closely with project management team and HR Consultant to finalize the PRF III organizational structure
- Recruitment of staff for PRF III
- Conducting the yearly staff performance review for 2016.
- Preparation of yearly staff employment contract for 2017.

#### **6.2.5. Monitoring and Evaluation**

- Testing PRF III's database including entry and reporting forms and capturing all relevant data from the PRF II MIS (January –March 2017);
- Updated TOR of staff of each division in different level will be added the monitoring work for data and information related to their responsibility and used for staff performance during annual evaluation;
- Training on data entry and verification and the use of PRF's database for M&E staff and key staff from other divisions and units;
- Monitoring progress of key PRF III activities and sub-project implementation (monthly);
- Outcome assessment after handover of sub-projects
- M&E to particularly focus on project evaluation and technical support for the database system based on the new TORs for all PRF III staff.
- Updating M&E guidelines and manual for M&E staff and also for staff from other divisions.
- Creating distant map for PRF's 42 district base on existing data and villages location;
- Updating GIS data base on new data from National Statistic Centre and others source as available (data not available yet); and
- Continuing add coordinate system for sub-projects 's location cycle 9-13 supported by World Bank and Government of Lao

#### **6.2.6. Technical Assistance**

- In referring to the suggestion of donor mission in July 2016, the PRF will strengthen the capacity of district engineers in facilitation skills. Community execution of subprojects will be promoted under the PRF III and contractor will in principle be hired only for the works that cannot be carried out by villagers cost effectively. Therefore, PRF engineers have to learn soft skill s to help villagers identify works that they can do themselves cost effectiveness and those they cannot. First step PRF will review and modify existing

guidelines and training manual, and develop additional training programs to help engineers develop facilitation skills;

- Conduct sub project survey and design of Cycle XIV sub-projects and continue 6-12 months checking based on the experience of previous cycles;
- Follow up with RMGs to ensure the effectiveness of the work, that would be extended to others areas; and
- Follow up the implementation of 58 GoL sub projects from PRF III, and focus on quality check for all infrastructure of PRF III.

### **6.2.7. Community Development**

- Training of the trainer on participatory planning for core team trainer and KBFs in CDD+LN district
- During planning stage of PRF project cycle 13, new additional CDD+LN districts will start village planning during November-December 2015
- Organize Village social audit committee (VSAC) training/refresher training for VSAC member of each target SP village in cycle 13 of CDD districts (including CDD+LN districts)
- Arrange a coordination meeting PRF/NCRDPE/concerned sectors at central level
- GESI mainstreaming training for PRF staffs in CDD+LN districts to raise awareness on GESI related to CDD and LN activities
- Regularly monitor on GESI mainstreaming in CDD and LN target areas (in Houaphan and Savannakhet)
- Disseminate PRF information through 11 media channels at national and local level
- Produce film Lesson learn of SP implementation focusing on Community force account approach
- Printing PRF Manual, Book, Report and IEC packages of CD, FA, Procurement and Engineers works for PRF staff and community
- Develop 2 success story films on (operation and maintenance, community ownership in implementation sub-project).

## List of Annex

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<i>Annex 1: PRF staff turnover during October 2015-September 2016.....</i>	<i>1</i>
<i>Annex 2: PRF Results Framework (September 2016) .....</i>	<i>3</i>
<i>Annex 3: Data for Kum ban Development Plan Used by Others with Sub Projects Budget.....</i>	<i>10</i>
<i>Annex 4: FRM Complaints.....</i>	<i>11</i>
<i>Annex 5: Number of KBF in each PRF's target districts (Cycle XI, XII and XIII) .....</i>	<i>13</i>
<i>Annex 6: IEC materials produced during October 2015 – September 2016.....</i>	<i>14</i>
<i>Annex 7. Details of training activities.....</i>	<i>25</i>
<i>Annex 8. Procurement activities during the fiscal year 2015-2016.....</i>	<i>32</i>
<i>Annex 9. LN action since August 2016 .....</i>	<i>33</i>
<i>Annex 9. Donors support mission (From Julien).....</i>	<i>35</i>
<i>Annex 10: Terminologies of PRF III.....</i>	<i>36</i>

### Annex 1: PRF staff turnover during October 2015-September 2016

	Positions	Gender	Reasons for leaving	Replaced	%
<b>Centre</b>	Operational Communication Officer	Female	Working for her own business	No	12.20
	Procurement Officer	Male	Working for his own business	No	
	Data Analysis & Reporting Officer	Male	Working for his own business	yes	
	Internal Audit Officer	Male	Working for another project	No	
	Driver	Male	Working for another project	yes	
<b>National office Total staff : 41</b>					
<b>Savanakhet</b>	District Engineer	Male	Moving to stay with family	Yes	5.45
	Village Coordinator_Livelihood	Female	Personal business	yes	
	District Livelihood Officer	Female	Health issue	yes	
<b>Savannakhet office Total staff : 55</b>					
<b>Phongsaly</b>	District Engineer	Male	Promoted to Provincial Engineer	yes	11.76
	Provincial Coordinator	Male	Working for construction company	yes	
<b>Phongsaly office Total staff: 16</b>					
<b>Hauphanh</b>	District Engineer	Male	Working for his own business	Yes	6.25
	Secretary	Female	Moving to stay with family	Yes	
	Village Coordinator_Nutrition	Female	Working for government office (Teacher)	yes	



	Village Coordinator_Livelihood	Female	Continuing to study	yes	
<b>Huaphanh office Total staff: 64</b>					
<b>Xiengkhoang</b>	Provincial FA Staff	Male	Working for his own business	yes	4.76
<b>Xiengkhoang office Total staff: 22</b>					
<b>Oudomxay</b>	District Engineer	Male	Working for state-enterprise of water supply	Yes	14.29
	District Finance Staff	Female	NA	Yes	
	District Engineer	Male	Working for his own business	Yes	
	District M&E	Male	Working for government office	Yes	
<b>Oudomxay office Total staff: 27</b>					
<b>Luang Namtha</b>	No change				
<b>Luang Namtha office Total staff: 17</b>					
<b>Luang Prabang</b>	District Engineer	Male	Working for his own business	yes	17.86
	Provincial Engineer	Male	Continuing to study	yes	
	District CD	Male	Health problem	yes	
	District ME	Female	Having difficulty of taking care of family	yes	
	District Engineer	Male	Dismissal	Yes	
<b>Luang Prabang office Total staff: 26</b>					
<b>Sekong</b>	District Engineer	Male	Promoted to Provincial Engineer	yes	23.81
	District FA Staff	Female	Health issue	yes	
	District Engineer (Phonexay district)	Male	owning personal business	yes	
	District Engineer (Nambak district)	Male	family issue	yes	
	Provincial Engineer	Male	Working for government office	yes	
<b>Sekong office Total staff: 21</b>					
<b>Salavan</b>	District Engineer	Male	Terminate contract	yes	18.75
	District FA Staff	Female	Personal business	yes	
	Provincial Coordinator	Male	Move to his government office	yes	
<b>Salavan office Total staff: 17</b>					
<b>Attapeu</b>	No change				
<b>Attapeu office Total staff: 17</b>					
<b>Grand Total: 323 Staff</b>					
<b>Average of Percent of change:</b>					<b>9.9 %</b>

Source: PRF's HR Unit, 30 September 2016

## Annex 2: PRF Results Framework (September 2016)

### Project Development Objective Indicators

► Greater than 75% satisfaction levels reported by beneficiaries in targeted villages regarding improved services and local development planning (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	80.00	99.00	80.00
Date	09-Jun-2011	31-Dec-2013	Oct-2015	31-Dec-2016
		Capacity Building Study	Based on Internal Sustainability Assessment 2015	

Comments: For further information we will have a look at 6-12 months checklist and external report

► Improved access to and utilization of basic economic and social services in kum bans supported by PRF (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0	--	Impact Evaluation expected in February 2016-	The supplementary school enrollment indicator has been dropped. The outcome is measured by level of satisfaction (PDO indicator above) and #/type of sub-project implemented (intermediate results indicator). End targets have been set for different types of sub-projects: 6% point increase in access and utilization of health services; 8% point increase in access to and use of safe water resources; 8% point increase in access to and use of roads.
Date	31-Oct-2012	05-Dec-2014	01-Jul-2015	31-Dec-2016

#### Comments

End targets have been set for different types of sub-projects. By project design, respective sub-indicators will be assessed through the impact evaluation as the final report already done in May 2016.

#### ▲Lowest two quintiles benefit from above services (Yes/No, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y

#### ▲% of HHs with access to and utilization of health services (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	36.00	40 <sup>1</sup>	Impact evaluation expected February 2016	6.00

#### ▲%. of HHs with improved access to and utilization of safe water resources (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00 75.00	11.00	Impact evaluation expected February 2016	8.00

#### ▲%. of HHs with access to all weather roads (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	48.00	Impact evaluation May 2016	38.00

#### ►Direct project beneficiaries (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	684,559.00	970,431 <sup>2</sup>	700,000.00

<sup>1</sup> Based on the Endline evaluation report which is only 4% increased compared with baseline

<sup>2</sup> This is the cumulative number (updated data as September 2016) that some duplicated villages that received more than one sub-projects, if we counted only unduplicated villages, there are 1349 villages that received at least one sub-project, the total direct beneficiaries is approximately 695,663 people. As mentioned in semi report that data will be updated for annual as September 2016..

Date	09-Jun-2011	30-Sep-2015	30-Sept-2016	31-Dec-2016
Comments	Target value changed to accommodate the AF. The target value of female beneficiaries is modified per implementation experience. The current value is the same as the previous value which was collected at the beginning of the current Subproject Cycle.			

<b>▲Female beneficiaries (Percentage, Core Supplement)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49.53	49.8 <sup>3</sup>	50.00
		30-Sep-2015	30-Sept-2016	31-Dec-2016

<b>▷Ethnic beneficiaries (Percentage, Custom Supplement)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	70.00	75.00 <sup>4</sup>	70.00
		30-Sep-2015	30-Sept-2016	31-Dec-2016

<b>►Decision-making on allocation of PRF resources involve at least 40% women (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	47.8	49	40.00
Date	09-Jun-2011	30-Sep-2015	30-Sept-2016	31-Dec-2016
Comments				

Overall Comments

### Intermediate Results Indicators

<sup>3</sup> Based on the most updated data in MIS system and based on the sub-projects that we approved NOL including Cycle 13

<sup>4</sup> This in average number including Cycle 13 that about 83 % of total beneficiaries are ethnic groups

►Sub-projects with post-project community engagement or O&M arrangements (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	99.00 <sup>5</sup>	95.00 <sup>6</sup>	90.00
Date	09-Jun-2011	30-Sep-2014	30-Sep-2015	31-Dec-2016
			Internal sustainability Assessment	

Comments

In according to PRF regulation, project proposals will include list of O&M Committee meaning the committee shall be appointed prior to the actual implementation. To assess whether the committee is functional and operating, 6-12 months checklists shall be filled and the final report will be done by December 2016.

►Grievances registered related to delivery of project benefits addressed (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100%	100% <sup>7</sup>	90.00
Date	09-Jun-2011	30- Sep -2014	30-June- 2016	31-Dec-2016
			MIS	

Comments

<sup>5</sup> An internal assessment of whether SPs were operational or were unused by PRF district staff with Kumban Facilitators under supervised by M&E staff (September 2015), as total of 635 SPs of 648 SPs completes in Cycle 9 and 10 were operationa with O&M committeel.

<sup>6</sup> An internal assessment in 30 September 2015, total of 813 SPs of the 856 SPs completion in Cycle9, 10 and 11 were operational with O&E committee.

<sup>7</sup>During October 2015- Sept 2016, there are 17 complains as recorded in FRM system, and all of them were addressed with agreed procedures (detail in annual report 2015-2016)

►Community contribution in the total project costs (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	8% <sup>8</sup>	0.00
Date		30 Sep 2015	30-Sept- 2016 (MIS)	--

Comments: Please note that the above proportion is obtained from data in the database on 21 July 2016 and will be updated after completion of procurement process where amount of community contribution will be finalized and agreed upon.

►% PRF kum ban plans used by government and/or other development actors for planning and funding (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	48%	56% <sup>9</sup>	35.00
Date	09-Jun-2011	30- Sep- 2015	30- Sept- 2016	31-Dec-2016

MIS

Comments: the actual number is 21 percent exceeded expected outcome from result indicator

►% of districts where district officials provide technical assistance and supervision to communities (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100%	100%	85.00
Date	09-Jun-2011	30- Sep- 2015	30- Sep- 2016	31-Dec-2016

MIS/Annual Report 2014-2015

Comments

The current value is the same as the previous value which was collected at the beginning of the current Subproject Cycle.

<sup>8</sup> The proportion of community contribution is lower than last Cycle (12%) due to the fact that 17 sub projects out of a total of 505 sub projects are not yet provided with figures. It is certain that when all figures are assigned, expected proportion will be achieved.

<sup>9</sup> The latest data about KDP used by other is 155 KDP out of 278 KDP, this is the final update as 30 September 2016

▶# of communities able to plan, implement and monitor their activities (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,124	1,349	1,300.00
Date	09-Jun-2011	30 Sep 2015	30-Sept-2016	31-Dec-2016

MIS database

Comments: this data is based on the village received at least one sub-project (unduplicated number) as the most updated data in September 2016, the final data will be done and reported in annual progress report.

▶x% of sub-project activities are of high technical quality (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	90	85.00
Date	09-Jun-2011		Technical Evaluation 2016	31-Dec-2016

Comments

Current data is based on an analysis of sub projects in regards to the cost effectiveness which has been done by an external consultancy firm recruited by the World Bank.

▶#/type of sub-project activities implemented (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,426 (IX, X, XI, XII)	1,931 <sup>10</sup> (IX, X, XI, XII, XIII)	1,200.00
Date	09-Jun-2011	30 Sep 2015	30-Sept-2016	31-Dec-2016

MIS

Comments: The final data updated in MIS database as end of September 2016

<sup>10</sup> As end of June 2016, there are 505 sub-projects (out of 507 that sent for NOL, the changes due to few sub-projects were merged from two to be one sub-project. Any changes can be happened for Cycle 13 and will mention in annual progress report.

►Improvement in dietary diversity among pregnant/ lactating women and children aged 6-24 months (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	85	30.00
Date	01-Sep-2015	--	Endline LN evaluation	31-Dec-2016

Comments: The Endline evaluation in 2016, found that about 85% of mothers reported starting breast feeding within one hour of birth, and all mothers have started within 24 hours of birth

►No. and type of livelihood activities supported by seed grant (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1,675.00	3,755	3,776	2400.00
Date	01-Sep-2015	30 June 2016	30-September-2016	31-Dec-2016

Comments

New indicator introduced under AF. Impact data to be collected through Endline survey based on 306 SHGs.



### Annex 3: Data for Kum ban Development Plan Used by Others with Sub Projects Budget

Kumban Development Plan Used by other from June to Sept 2016

	# Village development plan	KDPs supported by others	Districts	Supporters	# GOL agencies	GOL + Private	# GOL + Community	# GOL + NGO	# Int. NGO	#Lao NGO	#Co., LDT	# Village Fund	Total
Huaphan	57	23	4	5	62				6		1		69
Oudomxay	6	5	3	5	1				5				6
Luangprabang	49	20	5	9	22		3		24		2		51
<u>Luangnamtha</u>	12	7	3	4	14				7				21
Phongsaly	28	13	1	1	19		5		19		5	1	49
Salavan	10	9	3	3	5				2		3		10
Savanakhet	38	20	5	9	14				21		12	3	50
<u>Sekong</u>	25	12	3	3	31				1		1		33
<u>Attapeu</u>	56	17	3	8	20	15		28	20		5		88
<u>Xiengkhuang</u>	66	29	4	10	49			1	26			4	80
Total	347	155	34	57	237	15	8	29	131	0	29	8	457

#### Annex 4: FRM Complaints

<b>Date Feedback received</b>	<b>Channel</b>	<b>Feedback Source</b>	<b>Sub project Name</b>	<b>Locations</b>	<b>Detail</b>	<b>status</b>
26/01/2016	Box	village chief	School		The village chief need to know, they can change sub project after approved by concern sector.	Solved
18/02/2016	Box	Villagers	School	Na-oam village, Xai District, Oudomxai Province	School had some crack and a ceiling not indissoluble need contractor fix.	Solved
4/03/2016	Meeting	Villagers	School	Kewchalou village, Xai District, Oudomxai Province	The contractor fix some point, need they fix all problem	Solved
22/04/2016	Box	Villager	School	Darklian village, Xanxai District, Attapue Province	The community complained about delayed construction	Solved
20/04/2016	161	Anonymo us	Road	Mainakok village, Villagers District, Attapue Province	A construction not follow a model	Solved
15/06/2016	Box	Villagers	Health center	Trongpra village, Xai district, Oudomxai Province	The community complained about delayed construction	Solved
15/06/2016	161	Villagers	School	Namhe village, Long district, louangnamtha Province	The contractor make a roof by galvanized sheet	Solved
06/07/2016	Box	Villagers	School	Songkhon village, kaluem District, Sekong Province	Propose to PRF staff follow up the construction not follow a model	Solved
06/07/2016	Box	Villagers	Health center	Tampurb village, kaluem District, Sekong Province	Propose to contractor inform all material to villages	Solved
<b>Date Feedback received</b>	<b>Channel</b>	<b>Feedback Source</b>	<b>Sub project Name</b>	<b>Locations</b>	<b>Detail</b>	<b>status</b>
06/07/2016	Meeting	Villager	Spring gravity fed system	Tampurb village, kaluem District, Sekong Province	Propose to contractor to fix a spring gravity fed system tank.	Solved
12/07/2016	Box	Villager	Spring gravity fed system	Palor village, Nong District, Savannakhet Province	Pipe of Spring gravity fed system broken	Solved
01/08/2016	Meeting	Villagers	Drilled wells	Danvillage, Laman District, Sekong Province	Villagers need to move a place of Drilled wells because of the old place have landslide.	Solved
23/8/2016	Meeting	Villagers	Road	Vonglakhon village,	A construction not follow a model	Solved

				Phouvong District, Attapeu Province.		
22/08/2016	161	Kumban Facilitator	School	Kontrong village, Houn District, Oudomxai Province	Kumban Facilitator need to know why per-diem payment delay	Solved
22/08/2016	Box	Villagers	Drilled wells	Phouxai village, Pgouvong District, Attapeu Province.	Drilled wells construction not follow up model	Solved
23/9/2016	Box	Villagers	Spring gravity fed system	Trongppra village, Xai District, Oudomxai Province	Water source for Spring gravity fed system is dry	Solved
19/9/2016	Box	Villager	Spring gravity fed system	Mokkok village, Xai District, Oudomxai Province	Water source for Spring gravity fed system is dry	Solved

**Annex 5: Number of KBF in each PRF's target districts (Cycle XI, XII and XIII)**

Province/District	# Kum Ban	Cycle 11			Cycle 12			Cycle 13		
		Total	Female	%	Total	Female	%	Total	Female	%
	<b>278</b>	<b>624</b>	<b>241</b>	<b>39%</b>	<b>616</b>	<b>271</b>	<b>42%</b>	<b>625</b>	<b>306</b>	<b>49%</b>
PHONGSALY Province	20	35	14	40%	38	10	26%	38	18	47%
KHOUA	4	6	2	33%	6	1	17%	6	3	50%
MAI	8	16	5	31%	16	2	13%	16	8	50%
SAMPHAN	8	13	7	54%	16	7	44%	16	7	44%
XIENGGHUANG Province	25	66	20	30%	60	18	30%	60	20	33%
NONG HAET	11	29	7	24%	29	7	24%	29	7	24%
MORK	5	16	4	25%	10	4	40%	10	4	40%
KHOUN	6	14	6	43%	14	4	29%	14	6	43%
THA THOME	3	7	3	43%	7	3	43%	7	3	43%
HUAPHAN Province	52	127	51	40%	126	51	40%	128	68	53%
HUAMUEANG	8	22	8	36%	22	8	36%	24	16	67%
ZAMTAI	17	38	17	45%	38	17	45%	38	19	50%
VIENGTHONG	9	20	8	40%	20	8	40%	20	10	50%
XIENGGHOR	5	15	5	33%	15	5	33%	15	10	67%
ZAMNUEA	8	19	8	42%	18	8	44%	18	8	44%
VIENGXAY	5	13	5	38%	13	5	38%	13	5	38%
LUANGNAMTHA Province	13	26	11	42%	26	13	50%	26	13	50%
NALAE	5	10	4	40%	10	5	50%	10	5	50%
VIENGPHUKAH	3	6	3	50%	6	3	50%	6	3	50%
LONG	5	10	4	40%	10	5	50%	10	5	50%
OUDOMXAI province	44	87	39	45%	96	49	51%	96	52	54%
PAK BAENG	11	22	11	50%	22	11	50%	22	11	50%
BAENG	5	10	4	40%	10	5	50%	10	5	50%
NAMO	5	10	5	50%	15	10	67%	15	10	67%
HOUNE	12	23	11	48%	23	11	48%	23	11	48%
NGA	7	14	4	29%	14	4	29%	14	7	50%
XAY	4	8	4	50%	12	8	67%	12	8	67%
LUANGPRABANG Province	34	68	30	44%	76	38	50%	76	34	45%
PHONE XAY	7	14	7	50%	14	7	50%	14	6	43%
PAK ZAENG	6	12	4	33%	12	4	33%	12	5	42%
PHOUKUNE	6	12	3	25%	12	5	42%	12	4	33%
NAMBARK	4	8	5	63%	12	8	67%	12	8	67%
VIENGGHAM	7	14	6	43%	14	6	43%	14	5	36%
CHOMPHEP	4	8	5	63%	12	8	67%	12	6	50%
SAVANNAKHET province	40	110	37	34%	89	49	55%	95	54	57%
NONG	7	19	6	32%	21	14	67%	21	14	67%
SEPONE	12	36	12	33%	24	12	50%	24	11	46%
VILABULY	8	24	8	33%	16	8	50%	16	8	50%
PHINE	7	19	5	26%	16	9	56%	16	9	56%
TAH PANGTHONG	6	12	6	50%	12	6	50%	18	12	67%
SEKONG province	21	42	14	33%	42	22	52%	42	21	50%

LAHMAM	6	12	6	50%	12	6	50%	12	6	50%
KAHLUEM	7	14	3	21%	14	7	50%	14	7	50%
DARKCHUENG	8	16	5	31%	16	9	56%	16	8	50%
ATTAPUE province	16	32	11	34%	32	10	31%	32	12	38%
ZANXAY	4	8	4	50%	8	4	50%	8	4	50%
PHUVONG	4	8	3	38%	8	3	38%	8	4	50%
SANAMXAY	8	16	4	25%	16	3	19%	16	4	25%
SARAVAN Province	14	31	14	45%	31	11	35%	32	14	44%
TAH OEI	5	10	5	50%	10	5	50%	11	5	45%
SAMOAY	4	11	4	36%	10	2	20%	11	5	45%
TOUMLAAN	5	10	5	50%	11	4	36%	10	4	40%

Source: PRF CD division 30 September 2016

## Annex 6: IEC materials produced during October 2015 – September 2016

### The IEC material for PRF activities

IEC	# Unit produced	Key contents	Targeted audience	Remark
<b>1. Project Information Package</b>				
Key Achievement Brochure	300	PRF background, principles, processes and procedures, objective and also achievement of PRF implementation in the past.	Public, Gov, donors	Distributed in the 9 ASEAN Ministerial Meeting on Rural Development and Poverty Eradication (9 AMRDPE)
Manual of compensation and resettlement policies framework both English and Lao language	6,500	Inform and show compensation and resettlement policies framework that PRF concerned its issue	Public, Gov, donors, Kumban facilitator, PRF staffs of province and district	
Manual of environmental and Social Management Framework	6,500	Inform and show Environmental and Social Management Framework that PRF concerned its issue	Public, Gov, donors, Kumban facilitator, PRF staffs	

both English and Lao language			of province and district	
Manual of Ethnic Group policy Framework both English and Lao language	6,500	Inform and show Ethnic Group policy Framework that PRF concerned its issue	Public, Gov, donors, Kumban facilitator, PRF staffs of province and district	
Book on evaluation report on sustainable of PRF project	500	This report demonstrates the findings on re-assessment of PRF supported sub projects from Cycle 9 - 11 or during 2011-2014. The assessment aims to determine factors that influence sustainability on the use of sub projects in 10 target districts of Poverty Reduction Fund Phase II	Public, Gov, donors and PRF staffs	
13 years learned book	1,000	PRF lesson learned and PRF's sub-project impacted to improved community life	Public, PRF staffs	
PRF II Annual 2015 Report Book	200	PRF annual progress report (October 2014 - September 2015)	Public, Gov, donors	
Roller stand for exhibition	11	PRF's rule, procedure and also activities	Public, Gov, donors	
1 set of Exhibition booth screen	1	PRF's objective, Deepen CDD and LN activities	Public, Gov, donors	
Operation and Maintenance Manual	1,500	support technical how to maintain the sub-project when there are renovation need	Community	
Disaster impact record	170	Record the status of building that impact from disaster and also	Community	

form book for building		give a direction to prevent from it		
Disaster impact record form book for Gravity fed water system	170	Record the status of Gravity fed water system point that impact from disaster and also give a direction to prevent from it	Community	
Disaster impact record form book for rural road	70	Record the status of rural road that impact from disaster and also give a direction to prevent from it	Community	
Disaster impact record form book for bridge	120	Record the status of bridge that impact from disaster and also give a direction to prevent from it	Community	
Disaster impact record form book for irrigation	70	Record the status of irrigation that impact from disaster and also give a direction to prevent from it	Community	
book on introducing component items of sub-project cut out caused budget not enough	500	The way how to reduce the items of sub-project construction when the budget not enough	PRF staffs of province and district and community	
Summary book on infrastructure survey	100	record the status of sub-project that will construct	PRF staffs of district, concerned sectors and community	
Book on material compare good or bad	520	show the quality of material that will choose to provide in sub-project construction (good or bad) and also the way how to	Community	

		keep the material in the right way		
Field work record book	520	record the sub-project construction progress	PRF staffs of district, concerned sectors and community	
FRM Manual	3,500	Encourage community to know and use the channel of FRM	PRF staffs of province and district and community	
FRM brochure	3,500	Encourage community to know and use the channel of FRM	Public, PRF staffs of province and district and community	
FRM Sticker	3,500	Encourage community to know and use hot line number 161 of FRM	community	
FRM Poster	3,500	Encourage community to know and use the channel of FRM	Public, PRF staffs of province and district and community	
PRF T-shirt	2,500	Show PRF's branding, slogan and also hotline of FRM 161	Public, PRF staffs of province and district and community	
Project Cycle	3,500	Show the period of PRF working	Public, PRF staffs of province and district	



			and community	
<b>1. LN Activity</b>				
Exclusive breast feeding poster	100	Encourage mother for breast feeding	Community	
Chicken raising poster	100	Encourage and teach community to know how to raising the chicken in right way	Community	
duck raising poster	100	Encourage and teach community to know how to raising the duck in the right way	Community	
Food flag Poster	200	Inspire the community to know about nutrition	Community	
Malnutrition Impact Poster	200	Show the community to recognize impact of malnutrition	Community	
The reason of malnutrition Poster	200	Inform the community to know the cause of malnutrition	Community	
Steps of Elimination Malnutrition Poster	200	Teaching the community to understand the step of elimination malnutrition	Community	
Chicken season disease protection poster	200	Inspire the community pay attention to protect the chicken season disease	Community	
Pig season disease protection poster	200	Inspire the community pay attention to protect the pig season disease	Community	
Sheep and goat season	200	Inspire the community pay attention to protect the sheep	Community	

disease protection poster		and goat season disease		
What food should be eaten if people lack of rice Poster	200	Show the community to classify the food for eating when they lack of the rice	Community	
Malnutrition Cycle Giants Poster	200	Inspire the community to take care of health in good manner	Community	
Sustainable Natural Resources Utilization for Better Nutrition Poster	200	Instill the community to know how to use the natural resources in the right way for sustainability and also for better nutrition	Community	
Land use Poster	200	show the community to classify the type of land should be use	Community	
Manual of basic knowledge on Nutrition	100	Basic knowledge on nutrition	PRF staff	
Book on child growth monitoring	3,000	Give a knowledge to the community to know how to weigh and measure the children in the correct way	Community	
Growth Chart-Girl 0-5 years book	4,550	Monitor the growth and revolution of children from birth day to 5 years old	Community	
Frog raising book	1,000	Encourage and teach community to know how to raising the duck in the precise way	Community	
SHG saving book	15,000	Inspire member of self-help group to collect the money and	Community	

		use it in reasonable way.		
Money recording book	1,010	Instill member of self-help group interesting in saving the money	Community	
Recording book of borrowing and receiving fund	1,010	Show the community how to record the borrowing and receiving fund	Community	
Recording book of brief and summary the status of money	1,010	Show the community how to record the brief and summary the status of money	Community	
Recording book of cash	1,010	Show the community how to record the cash spending	Community	
Meeting record book	510	Show/teach the community how to record the meeting	Community	
Borrowing money proposal book	1,000	Member of SHG know how to write the proposal to borrow the money	Community	
Borrowing money agreement to do activity book	1,000	Member of SHG know how to write the proposal to borrow the money to do the activities	Community	
Urgent Borrowing money agreement book	1,000	Member of SHG know how to write the proposal to borrow the money to do the activities in urgent case	Community	
Animal Vaccination manual	800	Teach/show the community how to inject the vaccination for their animal	Community	

Tilapia raising brochure	2,000	Show the community how to raising the tilapia	Community	
Flip book on Exclusive breast feeding from birth day to 6 months	100	Instill the community to take care of children aged from birth day to 6 months with breast feeding only	Community	
Flip book on taking care of children aged 6-24 months	100	Teaching the community to know how to take care of children aged 6-24 months in the right way	Community	
Flip book on part 9,11,12	100	Explain the community to identify the sanitation	Community	
Flip book on dried seed and hard skin but high vitamin keep to cook for food	100	show the community to know what kind of dried seed and hard skin but high vitamin to cook for food	Community	
Flip book on food from natural	100	show the community to recognize what kind of food from nature that can cook to eat	Community	
Home garden brochure	2,000	Instill the community to make home garden and also show them how is the benefit from doing home garden	Community	
Chicken raising brochure	3,000	Teach the community how to raising the chicken and also protect its season disease	Community	
Duck raising brochure	2,000	Teach the community how to raising the duck and also protect its season disease	Community	
Pig raising	2,000	Teach the community how to	Community	

brochure		raising the pig and also protect its season disease		
Goat raising brochure	2,000	Teach the community how to raising the goat and also protect its season disease	Community	
Catfish raising brochure	2,000	Teach the community how to raising the catfish and also protect its season disease	Community	
Cone cultivation brochure	2,000	Instill the community to plant the cone and also show them how to grow it in the right way as well as teach them to know the method protect the cone from insects	Community	
<b>3. Pilot Deepen CDD</b>				
IEC tool kid	370	Encourage and inspire the community to know planning, implement the sub-project by themselves, understand PRF's rule and procedure	Kumban facilitators  and PRF staffs	

*Source: PRF CD division September 2016*

### **The IEC material for LN activities**

No	IEC	Unit	Key message	Targeted audience
<b>I</b>	<b>Nutrition Education</b>			
1	Breast feeding flip book	100 sets	Explain important of breastfeeding, what mother need to do before feeding her new child, how many time in a day mother have to feeds her child, and introduce mother hygiene what mother should do /what should avoid during breastfeeding	District, Young graduate and Community

	Manual of child growth monitoring	1.305 sets	Explain how to measure children, what different growth standard of boy and girl, how to measure high, weight and how to measure Arm circumference, how to records the measurement and decide where it is higher or lower the standards	District, Young graduate
	Growth chart monitoring manual for girl 0-5 years old	1.305 Sets	Present the information how to measure length/high of children 0 - 5 years old for evaluate and records the measurement and decide where the girls in the village are higher or lower , fat or thin than last month or not	District, Young graduate
	Growth chart monitoring manual for boy 0-5 years old	50 sets	Described the information how to measure length/high of children 0- 5 years old for evaluate and records the measurement and decide where the boys in the village are higher or lower , fat or thin than last month or not	District, Young graduate
<b>II</b>	<b>Livelihood</b>			
	poster			
	Chicken raising poster	100 Pieces	Provides brief information related to chicken raising technique	Community
	Duck raising poster	100 Pieces	Brief explanation information related to chicken raising technique	Community
	Brochures			
	Duck raising brochure	1,000 sets	Explanation information related to chicken raising technique and how to vaccine Duck	Community
	Pig raising brochure	1,000 sets	Explanation information related to pig raising technique and how to vaccine pig	Community
	Goat raising brochure	1,000 pieces	Explanation information related to Goat raising technique and how to vaccine goat	Community
	Catfish raising brochure	1,000 pieces	Explanation information related to fish raising technique and how to manage fish pond	Community
	Corn planting brochure	1,000 pieces	Explanation information related to technique of crowing corn and how to manage pest	Community
	Frog raising brochure	1,000 pieces	Explanation information related to flog raising technique and how to maintain water flog pond	Community

	Chicken raising brochure	2,000 pieces	Explanation information related to chicken raising technique and how to vaccine chicken	Community
<b>III</b>	<b>Livelihood Link Nutrition</b>			
Flip book				
	Flipchart of dried seed hard skin food should collect, its value and cooking methodologies	50 sets	Described information of benefit from eating dried seeds with hard skin of food eg: Bamboo shoot, rattan shoot, almonds seeds, etc; and how to cook those food for saving their nutrient	District, Young graduate and Community
	Food from natural resources should be collect, its value and cooking methodologies,	50 sets	Described information of benefit from eating dried seeds with hard skin of food or wild food eg: Bamboo hoot, rattan shoot, almonds seeds from forest, mushroom, vegetables etc; and how to cook those food for saving their nutrient	District, Young graduate and Community
	Flipchart chapter -9, 11, 12 water supply and hygiene education	50 sets	provides brief information related to Hygiene education and behavior change, in particular personal hygiene like hand washing, clean up housing and village environment, cooking hygiene, drinking safe water and solid west management	District, Young graduate and Community
	Food flag Flip book	50 sets	provides food groups and eating behavior guidance	District, Young graduate and Community
	How to cook Beans species, their benefit and beans need to plant for consumption	50 sets	Described information of benefit from eating soil bean, ground nuts black bean, red bean and its cooking methodologies for saving its nutrients and minerals may contained in the food	District, Young graduate and Community
	How to cook vegetable, fruits its benefits need to be plant for consumption	50 sets	Brief information of benefit from eating local vegetables and fruit, like papaya, banana, passion fruit, etc; and its cooking methodologies for saving its nutrients and minerals may contained in the food	District, Young graduate and Community
	How to cook sweet potatoes and need to be plant for consumption	50 sets	Brief information of benefit from eating sweet potatoes and its cooking methodologies for saving its nutrients and minerals may contained in the food	District, Young graduate and Community
	New born mother and antenatal care	50 sets	preset information on New born mother and antenatal health care, especially food good for new born mother, and cooking methodology.	District, Young graduate and Community

	Identify malnutrition technique	50 sets	explain information how to evaluate and diagnosis child malnutrition health	District, Young graduate and Community
	Home garden brochure	2.000 sets	provides information on planting vegetables and manage homemade of VNC	District staff, Young graduate and Community

Source: PRF CD division September 2015

## Annex 7. Details of training activities

No.	Training topic	Objective	Period	Participants (Number and level)	Location
<b>Engineering</b>					
1	A Social and Environmental Safeguards Training for PRF at provincial and district staff	To Awareness and discuss about the improvement of the Social and Environment Safeguard Frameworks to apply in PRF target areas during period of adjust budget for PRF 2 or PRF in 2016	9-10 March, 2016 (in 2 Region)	participated by 52 people, 3 women in 6 northern provinces; And participated by 65 people, 9 women in 4 southern provinces	in Northern organized in Louagplabang and Southern organize in Chapasack Province
2	Engineering Annual Meeting	To review and strengthen the capacity of PRF's staff on the Survey and Design sub-projects (Read, Bridge, Irrigation system...)			
3	Bioengineering Workshop: Design and Construction (Roads)	<ul style="list-style-type: none"> <li>- To familiarize participants with the design and construction process for roadside slope protection using bioengineering techniques.</li> <li>- To familiarize participants with maintenance, monitoring and social issues on bioengineering techniques using.</li> </ul>	12 – 14 June 2016	2 participants (PRF's Engineers from National Office)	Vientiane
4	Engineering Refresher Workshop on Survey + Design cycle 14	To understanding the Social and Environment Safeguard from construction of PRF's infrastructure sub-projects and solution methodology	23 March 2016	23 participants (3 women), 10 from PRF's Provincial levels	Vientiane



		to PRF's staffs.			
5	Survey-Design Meeting	To conduct survey and collect data required for infrastructure sub-projects design	Cycle 13	7,590 participants	10 target provinces
6	Implementation training	To transfer the basic knowledge and skills on infrastructure sub-projects construction especially how to check construction materials, QA/QC during implementation, including record and report to PRF and line Ministries to the beneficiary Communities	Cycle 13	6,072 participants	10 target provinces
7	Sub-projects Operation & Maintenance Training	To deliver the basic knowledge and skills on how to check and repair infrastructure sub-projects where and whenever required, including record and report to PRF and line Ministries to the beneficiary Communities.	Cycle 13	10,120 participants	10 target provinces
<b>Monitoring and Evaluation</b>					
1	Training on the Use of PRF Modified MIS Database	To train M&E staff on how to used PRF modified database system on: <ul style="list-style-type: none"> <li>• new forms</li> <li>• online/offline system</li> <li>• bug fixes</li> </ul>	15-17 December, 2016	29 participants (10 women)	Vientiane Capital
2	Training on LN Data Collection and Database	<ul style="list-style-type: none"> <li>• To introduce LN data collection forms to M&amp;E Officer and LN field staff</li> <li>• Exchange lessons learnt</li> <li>• Set up database program at the district offices</li> </ul>	22-27 March, 2016	14 participants (5 women)	Huaphanh Province
3	Result Monitoring and Evaluation Demystified Workshop	<ul style="list-style-type: none"> <li>• Enhance and share understanding of results and M&amp;E concepts and</li> </ul>	18-19 May 2016	A total of 25 participants attended this workshop, 20 of whom are from	Hanoi, Vietnam

		<p>approaches to facilitate</p> <ul style="list-style-type: none"> <li>• Design and implementation of results-focused projects and programs</li> <li>• The development of use of results monitoring and evaluation system to improve project management and track achievement of results</li> </ul>		<p>concerned organization in Vietnam and 5 are from Laos</p>	
4	Results-based Monitoring and Evaluation Course	<ul style="list-style-type: none"> <li>• to strengthen the existing PRF M&amp;E system</li> <li>• Exposed the participants to the new (and much better) M&amp;E practices and protocols spawned by recent developments in clouds and off-line databases management, social media, panel methods, and participative evaluation.</li> </ul>	30 May – 4 Jun 2016	15 participants (4 women)	EDC, Vientiane Capital
5	Cross Exchange between Saravanh, Sekong, Attapeu, Xiengkhouang and Huaphanh	<ul style="list-style-type: none"> <li>• Exchange of lessons regarding sub projects implementation, data collecting, data entry</li> <li>• Visit sub projects in Xiengkhouang and Huaphanh regarding the operation and maintenance and apply to their provinces where applicable</li> </ul>	25 Jun – 4 Jul 2016	ME central, ME staff from Saravanh, Sekong, Attapeu, Xiengkhouang and Huaphanh	Huaphanh
6	Asian Regional Conference on Community Driven Development (CDD)	<ul style="list-style-type: none"> <li>• Provide a venue for a regional exchange of knowledge and peer-to-peer learning on a set of topics common to CDD programs working in the East Asia, South Asia, and Pacific regions;</li> <li>• Facilitate a dialogue among different players – practitioners, implementers,</li> </ul>	14-17 Jul 2016	More than 100 participants from 14 countries attended the conference	Sapa, Vietnam

		<p>participants, and development partners – working on CDD programs;</p> <ul style="list-style-type: none"> <li>• Deepen the analysis of 2-3 key challenges facing CDD programs and discuss successful approaches to working with indigenous groups and communities, supporting livelihoods, and preparing for and responding to disasters.</li> <li>• Consider useful steps and activities that will advance the concept of a regional CDD community of practice</li> </ul>			
7	Revision of PRF2 Implementation and preparation of PRF 3 workshop (MIS improvement)	<ul style="list-style-type: none"> <li>• To conclude and assess the implementation of PRF II in reference to project indicators and the preparation of PRF III</li> <li>• To ensure same understanding amongst PRF staff concerning the implementation</li> <li>• To enhance better cooperation of all division at all levels</li> </ul>	8-12 Aug 2016	Participated by 58 people, of those 17 are women	Vientiane
8	Lower Mekong Sub-region Innovation Workshop for Civil Society Organization	<p>Promote understanding towards:</p> <ul style="list-style-type: none"> <li>• A desire to increase the effectiveness and impact</li> <li>• Differentiating in a competitive funding environment</li> <li>• The need to retain relevance and stay “future fit” in a rapidly changing world</li> <li>• A recognition that new solutions are needed to meet the</li> </ul>	Sep 2016	40 participants from 5 countries, including Laos, Vietnam, Thailand, Cambodia and Myanmar	Bangkok, Thailand

		scale of the global challenges			
<b>Community Development</b>					
1	Training on building capacity on CDD Planning method for PRF staff of 3 New CDD target district in cycle 12 (from Houaphan and Savannakhet Provinces)	Objective is to refresh CD staff on capacity building to communities regarding the implementation i.e. Planning, decision making etc.	5-9 Oct, 2015	Participated by 35 people; included 7 women	Organized in Vangvieng district, Vientiane province
2	GESI officer Participated in Gender promotion planning, monitoring and evaluation training, organized by with NCAW	To build the capacity of Government staffs in line of NCAW and LWU on planning, monitoring activities that related to Gender and child	10-12 Dec 2015	More than 100 participation, included 82 women	Organized in Land mark hotel, Vientiane Capital
3	Refresher training on Community Development activities for PRF province and district staff	To build the capacity of PRF CD field staff on implement each activities of Community Development during PRF cycle XIII	22-26 Feb, 2016	120 participants (15 women)	In Northern and Southern regions (Champasack and Louagprabang provinces)
4	A Social and Environmental Safeguards Training for PRF at provincial and district staff	To Awareness and discuss about the improvement of the Social and Environment Safeguard Frameworks to apply in PRF target areas during period of adjust budget for PRF 2 or PRF in 2016	9-10 March, 2016 (in 2 Region)	participated by 52 people, 3 women in 6 northern provinces; And participated by 65 people, 9 women in 4 southern provinces	in Northern organized in Louagplabang and Southern organize in Chapasack Province
5	A Social and Environmental Safeguards Consultation Workshop	To promote and discuss about the improvement of the Social and Environment Safeguard Frameworks to apply in PRFIII target areas in fiscal year 2016-2019	14 March (haft day), 2016	69 participants (18 women)	At central level organized in Donchan palace hotel,
6	The First Monthly meeting and refresher training for Kum Ban Facilitator during Sib-Project implementation	To build the capacity of Kum Ban Facilitators in cycle 12 on sub-project monitoring and facilitated	March, 2016 and will continuous in next 2-3months during SP	Around 492 persons (include 189 women) participated in the first time of the	Each target district

	in in cycle 13	each meeting and training in village and Kum Ban Level	implementation in cycle 13	meeting	
7	FMR, Social and environment safeguards and Village Social Audit training for FRM committee in CDD target district of PRF cycle 13	To build the capacity of FMR committee at village level (the committee in target village of sub-project cycle 13) on FRM, Social and environment safeguards, village social audit within their village during sub-project implementation in cycle 13	22-23 March 2015	26 persons (include 12 women)	Organized in Thapangthong district, Savannakhet province
8	Training of Master Trainer on CDD Planning method for PRF CD provincial staff from all 10 provinces	Building a capacity of Provincial trainer on CDD planning approach to apply in to PRF III	28 March-1 April 2016	25 persons (include 6 women)	Thalath, Vientiane province

#### Finance and Administration

1	Financial management training on Community Force Account (CFA) training in Oudomxay, Louangprabang and Svanakhet provinces	The trainings were hold at Provincial Office for PRF staff and at Village level, the aim of training is building capacity on financial management to VIT following the CDD format in 5 district pilots (Namor and Xay districts, ODX, Chomphet and Nambak districts, LPB and Nong District, SVK. During the training, the VIT has done many exercises as well as the preparation of financial report (on the job training to VIT) to understand the method of CFA. Currently, the CFA is implemented in 5 village pilots of each District above	November 2015	<ul style="list-style-type: none"> <li>• Training hold at Nongneua Village, Nambak District, LPB</li> <li>• Training hold at Kiewthaeng Village, Chomphet District, LPB</li> <li>• Training hold at Huapord Village, Namor District</li> <li>• Training hold at Mokchard Village, Xay District</li> <li>• Training hold at Daenvilay Village, Nong District</li> </ul>	Louangprabang  Oudomxay  Savannakhet
2	Financial Management Training for Provincial and District staff by central PRF Office	Regarding the Audit and World Bank's recommendation, PRF central finance and administration division organized the refresh training held in Vientiane.	Feb 2016	Staff from 20 provinces and 41 districts Female: 46	Vientiane Capital

		<p>The main topics for Accpac Training the training consist of budget planning, internal control system, decentralize role &amp; responsibility of provincial and district staff, audit findings, exchange lesson learnt between each province. The training is very helpful and helping PRF provincial and district financial staff to well understand about the regulation and be confident in their performance.</p>			
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## **Annex 8. Procurement activities during the fiscal year 2015-2016**

### **1/ PRF**

- Completed preparing the revised Procurement Plan for additional financing under IDA fund, which was submitted to the World Bank for their information and record on 29 July 2016 after receiving the IDA's NoL on 17 July 2016.
- Completed the preparation of the Community Procurement Guideline in Lao version for pilot sub-projects in cycle 12 using Community Force Account (CFA) for procurement of Construction Material, Furniture, Builder service, and Technical Service Provider.
- Completed the procurement of 51 motorcycles under PRF-AF budget, for which the contract was signed on 1 October 2015 with New Chip Xeng Co.; Ltd. in the contract amount of 461,958,000 LAK, and the goods were received on 3 December 2015.
- Completed the procurement of IT equipment including Laptops and mini LCD Projectors under PRF-AF budget, for which the contract was signed on 23 December 2015 with Unitech Co.; Ltd. in the contract amount of 125,226,860 LAK, and the goods were received on 8 January 2016.
- Completed preparing the bidding document for the procurement of 5 pick-ups under PRF-AF budget, for which the contract was signed on 26 February 2016 with Lao Ford City Co. in the contract amount of 1,313,475,000 LAK, and the goods were received on 26 May 2016.
- Completed the procurement of Tele-conference units for 10 provinces for which the contract was signed in 18 August 2016 with Unitech Co., Ltd. in the contract amount of 107,118,000 LAK and the goods were received on 26 September 2016.
- Completed the procurement of Electronic Digital Calipers, Laser Distant Meters, GPSs, and Amplifiers for which the contract was signed in 18 August 2016 with Lao Inter Network Individual Enterprise in the contract amount of 395,074,680 LAK and the goods were received on 23 September 2016.
- Completed the procurement of printing and publishing the Information, Education and Communication (IEC) which included VDP manuals, compensation and resettlement policy framework, environmental and social management framework manual, ethnic group policy framework, maps, district maps, annual report, monitor and evaluation manual, evaluation report on sustainability of PRF project, new toolkit sets for CDD including bags and color drawings, PRF III operation manual, PRF III introduction brochure, DCDD introduction book, PRF III VDP& KDP manual, PRF III social safeguards, environment safeguards, PRF III FRM manual/poster/brochure/indicator, LN booklets, leaflets, LN passbook flipbook, LN posters, LN saving book, LN saving record book, LN cash record book, LN loan record book, LN balance sheet book, LN ledger book, LN booklet, and etc.
- Completed the procurement of publication of good and bad pictogram for TA for which the contract was signed on 26 August 2016 with Modern Image Lao in the contract amount of 81,235,000 LAK and the books were received on 14 September 2016.
- Completed the procurement of production of BCC Materials (CLTS Activities) for which the contract was signed in 7 August 2016 with Copy Khaulaung Photo in the contract amount of 28,089,000 LAK and the books were received on 15 August 2016.

- Completed the procurement of consultancy service (firm) for Technical, Cost Effectiveness, Cost Benefits and Sustainability Audit through SSS procurement method and subject to prior review by the World Bank, for which the contract was signed on 30 November 2015 with Mixai Techno Engineering & Consulting Co.; Ltd. in the contract amount of USD 105,409
- Completed the procurement of consultancy service (firm) for Management Information System, New Database Design and Creation for PRF III through CQS procurement method, for which the contract was signed on 12 September 2016 with SUMO Program Sole Co., Ltd. one out of eight consultancy firms submitted EOI in the amount of contract of USD 49,665.00

#### A. Sub-project

- Completed preparation of the Sub-Project Procurement Plan for sub-project for cycle 13 and submitted to the World Bank for their information and record.
- Conducted the procurement training for PRF staff and Village Implementation Teams (VIT) regarding Community Procurement Guideline for pilot sub-projects using Community Force Account (CFA) for procurement of Construction Materials, Furniture, Builder service, and Technical Service Provider.
- PRF district/provincial staffs have assisted the Village Implementation Team with the procurement process (bid opening) at village level for sub-projects in Cycle 13 under IDA/MDTF, GoL.
- Completed the procurement of medical equipment and medicine under SP Cycle 13 at central office on behalf of Kumban Team after receiving the letter of authorization though the shopping procurement method for the following villages:
  1. Keaw Village, Keaw Kumban, Nga District, Oudomxai Province
  2. Thang beang keang loung Village, Phakhayoh Kumban, Vilabouly District, Savannakhet Province
  3. Thongkhai Village, Pakxay Kumban, Kaleum District, Sekong Province
  4. Nongmoung Village, Nonghin Kumban, Sanamxai District, Attapeu Province

Most of these contracts were signed in August 2016 with Viengthong Pharm Co. and the goods are expected to be received in November 2016.

#### Annex 9. LN action since August 2016

No.	Action	When	Progress of Oct
1.	Complete Household Survey of LONG	15 <sup>th</sup> Sept 2016	Endline survey has been conducted in LONG districts. This survey includes questions on economic status of household. The final draft of endline survey has been finalized and submitted to WB and PRF-LN by September 2016
2.	Submit the draft ICM	Sept 30 <sup>th</sup>	LN Unit head sent initial data for preparation of the report by WB. The completion report of LONG is under development; however, the submission date is overdue (30 <sup>th</sup> Sept).
3.	Improve monitoring and data recording for SHG and VNC	August 30 <sup>th</sup>	All related forms for LN data collection were consulted with M&E division and finalized for programming. Only reporting format or table to be further discussed. WS on Data entry was conducted for LN Staff in-charge for data management
4.	Strengthen the management of	Ongoing	<ul style="list-style-type: none"> <li>• By-law and Guideline of SHG Saving scheme were revised according to recommendations from Consultants</li> </ul>



	saving and revolving funds		<ul style="list-style-type: none"> <li>• Simplifying bookkeeping for easier maintaining by Committee and for monitoring</li> <li>• Trainings on Bookkeeping, accounting as well as by-law clarification were conducted to PRF-LN district staff and District Line Offices</li> <li>• Ongoing training on Bookkeeping management and By-Law Clarification to Village SHG Management Committees</li> </ul>
5.	Follow up on specific recommendations made by consultant on revolving funds and microfinance partnership	August 30 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Several Video Conferences and meetings among concerned parties were organized including formal meeting with BoL ( department of micro-financial Institution Supervision</li> <li>• Draft proposal from AFO was submitted to WB and PRF for consideration, but it is required for further improvement</li> <li>• Agreement of organizing field visit with BoL, the certain date to be defined</li> </ul>
6.	Carry out subsector types analyses and identify 1-2 types of activities for which a rapid market analysis can be carry out	Sept 30 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Primary survey in local market was conducted by LN District staff to find potential products for further improvement in terms of quality and quantity. Form primary findings indicated that techniques of production must be introduced and monitored and enhancing connection between producers and middle men. The eligible products are poultry, native (black) piglets of two-three-month age is, processing technique for Banana and production capacity and applying banana stem for feed processing for poultry and pigs.</li> <li>• There was no further study on market analysis by external consultants</li> </ul>
7.	Identify Agriculture Support such as items, coordination with Ministry of Agriculture and Forestry and Rural Development	Sept 30 <sup>th</sup>	<ul style="list-style-type: none"> <li>• IEC sub-division contacted with MAF for posters and guideline on animal raising and aquatic raring as well as agricultural guidelines</li> <li>•</li> </ul>
8.	Prepare case study on income generating activities	Sept 30 <sup>th</sup>	<ul style="list-style-type: none"> <li>• There was no official study conducted, but LN staff record data on household incomes of SHG members and record in PRF district offices</li> <li>•</li> </ul>
9.	Have 24 individual VNC Work plans developed	August 10 <sup>th</sup>	<ul style="list-style-type: none"> <li>• All VNC Plans have been submitted for approval and implemented as planed</li> </ul>
10.	Conduct monthly monitoring and copy statement and bank accounting book to central level.	August 10 <sup>th</sup> and ongoing	<ul style="list-style-type: none"> <li>• LN Unit Head has asked staff to scan bank accounting book of all VNC and updated</li> </ul>
11.	Design VNC exist strategy and field		<ul style="list-style-type: none"> <li>• It is required to ask assistance from consultant, due to beyond capacity of PRF.</li> </ul>

## **Annex 9. Donors support mission**

### **Supervision mission**

A joint mission of the Swiss Agency for Development and Cooperation (SDC), the Department of Trade and Foreign Affairs (DFAT) of the Government of Australia and the World Bank was conducted during 17 November – 4 December 2014. The objective of the mission is to review implementation of the Poverty Reduction Fund II (PRF II) and the Japan Social Development Fund Grant for Improving Livelihood Opportunities and Nutritional Gains (LONG) against the Project Development Objectives (PDO) and results framework. In addition, the mission will also identify issues, challenges faced during the implementation and make recommendations. Some findings are summarized as follows: (Full details of findings can be seen in the mission Aide Memoire, December 2014)

- Institutionalization and Partnership
  - The Ministry of Planning and Investment (MPI) participated in the mission and expressed a strong support to the PRF
  - The Ministry of Health (MOH) agreed that PRF may build only critical facilities under a dispensary construction sub project. The MoH also agreed that the PRF built dispensaries would be priorities for the provision of staff and equipment, and that the PRF would inform the MoH for help if they are not provided on time.
- Community Engagement
  - The PRF has significantly improved the quality of community engagement under the “Deepen CDD pilot”
  - The PRF made significant progress in implementing the Gender, Ethnicity and Social Inclusion (GESI) action plan.
- Technical
  - The new Quality Management System (QMS) was rolled out to all PRF provinces and districts.
- Capacity Development
  - PRF will assess the technical quality, cost effectiveness, sustainability and impact of PRF sub projects.
- LONG pilot
  - The mission in principle agreed that the AF will take over some or all of the activities initiated by LONG.
- Project Management:
  - The overall procurement performance rating remains Satisfactory
  - Many Financial Management (FM) recommendations from the previous mission have been implemented.
  - GOL contribution in the amount of US\$2 million to Cycle XI was received on time.
  - Significant improvements were made in the Monitoring and Evaluation system.

- Safeguards
  - PRF's social safeguard performance has been strengthened since the MTR.

The mission has also updated on the status of agreed action under the previous mission, there were few still in progress. Most of the actions planned during the previous mission were completed as assigned.

### **Improving Livelihood Opportunities and Nutritional Gains (LONG)**

Implementation support mission of the Improving Livelihood Opportunities and Nutrition Gains (LONG) Project was conducted from February 16-27, 2015 to assess progress in the field and to identify measures to further improve the efficiency of the project implementation. Some significant findings are as follows: (Aide Memoire, April 2015)

- SHGs are becoming a useful institutional platform at the village level for welfare improvement of the rural poor including nutrition, sanitation and basic hygiene.
- The project helped generate significant income among beneficiaries of livelihood grants.
- The linkage with nutrition should be further strengthened.
- The extension of the closing date by one year was requested and approved by the Bank.

### **Annex 10: Terminologies of PRF III**

**FIP** - Family Investment Plan

**Community driven development** is an approach, whereby communities themselves decide on how resources are allocated, manage sub-project funds, and implement sub-projects. In this context, PRF only takes a leading role in providing an extensive facilitation and training for community members to ensure everyone is engaged in the decision-making and empowering them for village development.

**Small ethnic group** is a group identified as Lao Theung, or midland Lao, and Lao Sung. The former are Austroasiatic origin and are probably the autochthonous inhabitants of Laos, having migrated northward in prehistoric times. The cultural and linguistic differences among the many Lao Theung groups are greater than those among the Lao Loum or Lao Sung, or upland Lao. Groups range from the Kammu (alternate spellings include Khamu and Khmu) and Lamet in the north, to the Katang and Makong in the center, to the Loven and Lawae in the far south.

The latter are Miao-Yao or Tibeto-Burmese speaking peoples who have continued to migrate into Laos from the north within the last two centuries. In Laos most highland groups live on the tops or upper slopes of the northern mountains, where they grow rice and corn in swidden fields. The Hmong are the most numerous Lao Sung group, with villages spread across the uplands of all the Northern provinces. Mien (Yao), Akha, Lahu, and other related groups are considerably smaller in

numbers and tend to be located in rather limited areas of the north. All PRF sub-projects are located in areas, where various ethnic groups make up high percentage of total targeted populations.

**Sub-project beneficiaries:**For the direct beneficiaries, this should be simply the total population of the main village that proposed the sub-project, the beneficiaries include: women, men, children, ethnic minorities, and the poor with all benefit from supported sub-projects.

**Minority group** is a sociological category within a demographic. In the context of PRF project, the differentiation to define “term of minority group” can be based on one or more observable characteristics, including, for example, ethnicity, race, gender, wealth, health or sexual orientation.

**Vulnerable group** is a group face with a higher risk of poverty and natural disasters, and live in rural-remote areas in Laos.

**Criteria for ranging of Kum ban poverty status with PRF project coverage**

The Program has identified beneficiary Kum bans for PRF II based upon the following four criteria:

- Kum ban poverty criteria specified in Government’s Decree #285/PM, specifically those related to food security, access to a road, access to water, access to electricity, and access to education and health services;
- Geographic location in terms of operational access and administrative cost-effectiveness;
- Presence of other similar donor-funded programs in these Kum bans; and
- Resettlement status: PRF will not work in villages which have been resettled in the last four years and for which there are plans for resettlement in next four years.

Using these criteria, and drawing upon the findings of the National Population and Housing Census of 2005, and the Lao Expenditure and Consumption Survey (LECS) III of 2002/3, the PRF central office has prepared a national Kum ban target list with poverty ratings. In other words, PRF Kum bans were selected based upon poverty criteria (as described above). However, the allocation of resources to each Kum ban takes into account the estimated population size of Kum ban:

**Table 26: Budget allocation for each Kum ban**

<b>Kum ban Population</b>	<b>Amount Allocated for each Kum ban During Each Cycle</b>	<b>Total Allocated for each Kum ban in PRF II</b>
< 2,000 persons	• \$30,000 (240,000,000 kip)	• \$120,000 (960,000,000 kip)
• 2,000 to 4,000 persons	• \$40,000 (320,000,000 kip)	• \$160,000 (1,280,000,000 kip)
• >4,000 persons	• \$50,000 (400,000,000 kip)	• \$200,000 (1,600,000,000 kip)

“The total Kum ban allocation covers a 4-year period, funds are made available for use on an annual basis. The yearly amount allocated for each Kum ban, cannot be exceeded. PRF will not provide additional funds exceeding the annual PRF allocation, nor support sub-project with complementary funds to cover the budget portion that is over the PRF Kum ban allocation.

The remaining amount of the yearly Kum ban allocation can be retained across cycle (except if it is the result of a lack of implementation progress on selected sub-projects), and used to support additional sub-projects (infrastructure or trainings) from the Kum ban Development Plan during subsequent year in the Kum ban cycle. In such cases, the added sub-projects will need to be based on proper justification, especially on the beneficiaries’ capacity to manage the implementation of these additional sub-projects, and with PRF Executive Director Approval.

**Criteria for ranging of village poverty status with PRF project coverage**

The program has identified the poverty status of villages covered by PRF project coverage on a basis of the following methodology (Table2).

**Table 27: Criteria for assessing of village poverty status**

Village name	Prime Minister Decree 285/PM												Total	Poverty rate
	Sufficient food in a year		School access		Hospital access		Safe and sufficient water		Road access all season		Electricity access			
	• Y es=0	• N o=1	• Y es=0	• N o=1	• Y es=0	• N o=1	• Y es=0	• N o=1	• Y es=0	No=1	Yes=0	No=1		

According to table above, poverty status of village is definitely determined by a commutative scores (total scores) stipulated in the table2. Therefore, poverty status of village is divided into 3 categories as follows:

- **Very poor** is defined when total of scores is between 5 – 6 scores.
- **Moderate poor** is defined when total of scores is between 3 – 4 scores.
- **Relatively poor** is defined when total of scores is between 0 – 2 scores.

## **Sustainable development**

For the purposes of the PRF II, sustainability will be assessed across the following dimensions: (i) developing a viable and replicable model for the government of community planning and financing; (ii) increasing the role of local governments in coordinating and supporting the program; (iii) enhancing the capacity of communities and local governments to plan and undertake local development activities; and (iv) improving the overall design quality and operations and maintenance of sub-project infrastructure, including incorporating disaster-risk reduction designs into relevant sub-projects.

**Community contribution** is voluntarily community commitments to village development and poverty reduction in form of both local materials and labor. Contributions can be made at all stages of project cycle, not just limited to the project implementation phase.

### **Bill of quantity (Progress payments)**

Agreement between PRF and the contracted company/community, links to the percentage of progress made at a specific period. PRF is regardless focus on “how many activities the contracted company/community has to complete within this specific periods”, (e.g. we suppose the effective period of contract for primary school construction in village A is six months, with total contract costs of USD 40,000. After two months, the company has finished 30 activities of total 100, with costs of USD 20,000.

Accordingly, PRF defines that the construction works have been already made a progress at 50%, with no matter how long the construction has been taken. Giving to such evolution, the company/community plays a leading role in making and managing the work plan for construction. PRF and concerned sector, in contrast, has a key role in managing the quality control of construction and the implementation of contract if the company/community finishes all activities at the end of contract.