Participating provinces for PRF II, as proposed by the PRF secretariat and confirmed by the Leading Committee are: Savannakhet, Saravan, Houaphanh, Luang Namtha, Sekong, Xiengkhouang, Phongsaly, Oudomxay, Luangphabang and Attapeu.

If additional fund is provided in the course of the program, support to additional Kum ban within the current/new provinces and districts will be considered.

1.1.1 Program Objectives

The Project Development Objective is to improve the access to and the utilization of basic infrastructure and services for the project’s targeted poor communities in a sustainable manner through inclusive community and local development processes. The Program aims to deliver resources in the form of technical assistance training and sub-project grants to poor villages and Kumbans, efficiently and effectively. PRF uses a Community Driven Development (CDD) approach, whereby communities themselves decide on how resources are allocated, manage sub-project funds, and implement sub-projects. Extensive facilitation and training is provided through the Program to ensure that all community members, including women and different ethnic groups, participate in the decision-making process and benefit from the Program. The Program builds local capacity by providing technical support for communities, over a number of years, to help solve problems and resolve conflicts. It also aims to create stronger links between the local government and communities. PRF staffs at the district, province and national levels help to coordinate and facilitate these linkages.

1.2 PRF Principles

The PRF is designed around six core principles that provide the basis for program implementation as well as for monitoring and evaluation:

1) Simplicity
2) Community Participation and Sustainability
3) Transparency and Accountability
4) Wise Investment
5) Social Inclusion and Gender Equality
6) Siding with the poor

- Principle I: Simplicity

Simplicity ensures greater transparency and local ownership of the Program. The Program design, rules and regulations are designed to be simple and easy to understand. Proposals, materials and methods used by the Program are verified with communities to ensure that they are properly understood and appropriate.²

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¹For 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.

²Proposals and plans should be detailed but not overly complicated. It is of utmost importance to abide by the key principle of simplicity so that the process doesn’t get bogged down in project proposal
Principle 2: Community Participation and Sustainability

PRF endeavors to maximize participation in the planning and implementation of sub-projects.

- At least 50% of all adults in the village (both men and women) must attend the initial village-level information meeting in order for the planning process to proceed.
- Decision-making must involve the entire community. All community members, including the traditionally marginalized groups, have the right to suggest how grants should be used and to voice their opinions when expressed needs are prioritized and sub-project activities specified.
- Communities prioritize their own proposals, in line with the menu of options for a wide range of village infrastructure and related training activities as well as financial resources made available via the community development grant mechanism. PRF staff, in coordination with local government agencies, provides villagers with the information required to make informed choices.
- To ensure that communities view PRF activities as a self-help development activity, communities must be willing to contribute to sub-projects to show their support and ownership of the activity. Villagers can decide if they want to make their contribution in cash, in kind or in the form of voluntary labor. Detailed operations and maintenance plans must also be included in proposals, and villagers must be willing and able to operate and maintain any infrastructure that will be built. Operations and maintenance teams must be established before funds are disbursed.

The objective of sustainability includes efforts to ensure long-term sustainability of the PRF model. Efforts will be made to ensure macro-sustainability during PRF II by:

- developing a viable and replicable model for the Lao government of community planning and financing;
- increasing the role of local governments in coordinating and supporting the program;
- enhancing the capacity of communities and local governments to plan and undertake local development activities; and
- improving the overall design quality and operations and maintenance of sub-project infrastructure, including incorporating disaster-risk reduction designs into relevant sub-projects.

In light of recent experience with the on-going village relocation and consolidation induced by the government policy and development projects, the following provision will be applied for PRFII to ensure the sustainability of the PRF’s investments. If, as a result of development projects, relocation policies or any other associated activities, local people are forced to relocate from villages where PRF-supported sub-projects have been implemented and become unable to continue accessing or benefiting from the project investments, the government and/or project developer shall ensure that the relocated people are able to continue receiving the same level and kind of benefits, either through cash or in-kind compensation.

formulation because of low levels of education of villagers. Appropriate support and training should be provided to strengthen local communities’ capacity.
Principle 3: Transparency and Accountability

Complete transparency and local accountability are essential. All PRF meetings are public. Community members must be satisfied that the funds are used properly and they have the right to question any aspect of sub-project planning or implementation either during routine meetings or via an established community feedback resolution mechanism. All such feedback must be taken seriously and investigated by delegated PRF staff. At the same time, elected village and Kum ban representatives have the responsibility to provide a full and clear account of the use of sub-project funds.

Principle 4: Wise Investment

Every effort must be made to use PRF resources wisely so as to ensure widest possible coverage. The majority of overall PRF resources must be spent on Kum ban and village level investments.

A competitive procurement process ensures best prices are obtained for materials. Standard designs and costing further ensure durability of infrastructure without compromising technical quality. Overall PRF management and administration costs will also be kept to a minimum in order to ensure the majority of program resources are disbursed to Kum bans and villages.

Principle 5: Social Inclusion and Gender Equality

No members of the community can be excluded from participation in PRF activities regardless of gender or ethnicity, disability or age. Special efforts will be made to reach out to the most vulnerable groups of the community (including single headed households, ethnic groups, households with disabled people, landless households, and adolescents). Proactive measures, including affirmative action mechanisms, are taken to overcome linguistic obstacles, gender disparities and any other socio-cultural barriers. Ethnic minorities, vulnerable groups, disabled, and women are especially encouraged to join in PRF meetings and activities (details of Gender Mainstreaming actions in annex 2).

PRF is committed to ensuring that women are full participants and beneficiaries in the program. Specific efforts will be undertaken during the planning and implementation phases to enable women’s voices to be heard in terms of proposing, prioritizing and implementing sub-projects.

PRF promotes and enables active participation and contribution by people with disability in all project cycles. The project ensures voices and needs articulated by people with disability are incorporated into village plans and design of PRF sub-projects and that the sub-projects are to equally beneficial and accessible all community members.

Children’s interests and expectations shall be recognized during planning, design and implementation of sub-projects. The project promotes shared responsibilities for child protection to manage and reduce risks to child abuse associated with delivering PRF activities and requires the active support and cooperation of contractors and stakeholders implementing project activities. Contractors must meet the terms of the
child protection policy and will be held accountable, through contracts and audits, for complying with it.  

**Principle 6: Siding with the Poor**

*The Poverty Reduction Fund, all the PRF staff and facilitators work for the poor.* As such, for each planned and implemented activity, in all processes and all procedures, preference is given to the poorest people in the community. During the Preparation of the PRF Kum ban Development Plan, PRF staff participating the process must ensure that at least 75% of the sub-projects are located in the poorest villages within a Kum ban. Facilitators and consultants are evaluated based on this principle: their championship of the rural poor.

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**Figure 1: PRF’s 6 Principles**

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<tr>
<th>PRF’s 6 Principles</th>
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<tbody>
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3 In accordance with the UN Convention on the Rights of the Child, ‘child’ means every human being below the age of 18 years unless under the law applicable to the child, majority is attained earlier.