



Lao People's Democratic Republic
Prime Minister Office (NLCRDPA)

Poverty Reduction Fund

Quarterly Progress Report *July – September 2008*



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TABLE OF CONTENTS

1. EXECUTIVE SUMMARY.....	5
2. ACHIEVEMENTS IN CYCLE IV AND CYCLE V.....	6
2.1. Brief summary of Cycle IV implementation	6
2.2. Cycle V implementation progress.....	6
2.2.1. Work progress by province	6
2.2.2. Comparison of work progress and disbursement.....	8
2.3. Community Contribution for Cycle V	8
2.4. Analysis of Cycle V subprojects' implementation	10
2.4.1. Variance of subproject changes by sector.....	10
2.4.2. Variance of budget changes by sector	10
3. LAUNCH OF CYCLE VI.....	11
3.1. New Poverty Grading System for Cycle VI	11
3.2. Cycle VI District Allocation	12
3.3. District Prioritization Meetings for Cycle VI	16
3.3. Subprojects' design and Survey and Preparation of the proposals	16
4. ASSESSMENTS AND PROSPECTS.....	17
4.1. External Assessments.....	17
4.2 World Bank Missions	17
4.3 Other activities	17
4.3.1. Annual Review and Strengthening Workshop 2008 for PRF staff	17
4.3.2. MIS Improvement.....	20
4.3.3. Consultation with other stakeholders.....	21
4.3.4. IEC Strategy and Local Institutions Capacity Building Work Plan.....	22
4.4. Overall PRF outputs since 2003	23
5. FINANCIAL AND ADMINISTRATIVE REPORT	25
5.1. Staffing situation.....	25
5.2. Procurement	27
5.3. Financial report	27
5.3.1. IDA Funding and Expenditures	27
5.3.2. PRF budget monitoring.....	27
7. WORK PLAN FOR THE LAST QUARTER OF 2008.....	29
7.1. General.....	29
7.2. Community Development Unit.....	29
7.3. Engineering Unit.....	29
7.4. Monitoring and Evaluation	30
7.5. Finance and Administration.....	30

LIST OF TABLES

Table 1: Subprojects' implementation progress by province (Cycle V, 30/09/2008).....	7
Table 2: Community contribution for Cycle V.....	9
Table 3: Comparison of subprojects by sector from planning to implementation.....	10
Table 4: Comparison of budget by sector from planning to implementation.....	10
Table 5: Village Poverty Grading.....	12
Table 6: Comparison table and suggested adjustments.....	14
Table 7: Final District Budget Allocation for Cycle VI.....	15
Table 8: Outcomes of the District Prioritization Meetings for Cycle VI.....	16
Table 9: Summary of subprojects implementation since 2003.....	23
Table 10: Staff leaving their positions in districts where activities are discontinued.....	25
Table 11: Staff recruited to work in a different district.....	25
Table 12: PRF staff turnover during the third quarter of 2008.....	26
Table 13: IDA+GOL credit funding and expenditures.....	27
Table 14: Budget transferred for sub-project implementation (IDA+GOL).....	28
Table 15: expenditures by categories (IDA budget).....	28
Table 16: expenditures by categories (IDA+GoL budget).....	28

LIST OF FIGURE

Figure 1: Completed subprojects compared to planned subprojects.....	7
Figure 2: Work and disbursement progress by province (Cycle V, 30/9/2008).....	8
Figure 3: Evolution of Community Contribution since 2003.....	9

LIST OF PICTURES

Picture 1: Temporary schools prior to PRF support.....	24
Picture 2: School supported by PRF.....	24

LIST OF ANNEXES

Annex 1 <i>Completion and disbursement of Cycle V</i>	32
Annex 2 <i>Subproject progress by sector and district for Cycle V (30/09/2008)</i>	39
Annex 3 <i>Performance indicators for Cycle V</i>	40
Annex 4 <i>Status of Procurement Plan (January-September 2008)</i>	44

LIST OF ACRONYMS

BA&TA.....	Beneficiary and Technical Assessments
BA.....	Beneficiary Assessment
BoQ.....	Bill of Quantity
CD.....	Community Development
CPI.....	Committee for Planning and Investment
CTPC.....	Construction, Transport, Post & Communication
District.....	An administrative unit working under the direction of provincial administrations (142 districts throughout the Lao PDR)
DMM.....	District Decision Meeting
DPM.....	District Prioritization Meeting
FA.....	Financial and Administration unit
FY.....	Fiscal Year (01/10 of the former year to 30/09 of the quoted year)
GoL.....	Government of the Lao PDR
IDA.....	International Development Association (World Bank)
IGA.....	Income Generation Activities (or Income-Generating Activities)
ITE.....	IGA, Training, and Environment subprojects
KF.....	Khet Facilitator
Khet.....	Sub-district unit comprising neighboring villages
LA.....	Lao Agreement
Lao PDR....	Lao People's Democratic Republic
LECS.....	Lao Expenditure and Consumption Survey
LWU.....	Lao Women's Union
M&E.....	Monitoring and Evaluation unit
MCTPC....	Ministry of Construction, Transportation, Post, and Communication
MIS.....	Management Information System
NGPES.....	National for Growth and Poverty Eradication Strategy
NSC.....	National Statistics Centre
OPT.....	Operations, Planning & Training unit
PC.....	Provincial Coordinator
PMT.....	PRF Project Management Team
PRF.....	Poverty Reduction Fund
Province	The Lao PDR is divided into 18 provinces each with an appointed governor and local administration
SoE.....	Statement of Expenditure
STA.....	Senior Technical Advisor
TA.....	Technical Assessment
ToR.....	Terms of Reference
UCD.....	Unit Cost Database
USD.....	Dollar of the United States of America
UXO.....	Unexploded Ordnance
VNPA.....	Village Need Priority and Assessment (form designed to record the outputs of each village participatory workshops)
WB.....	the World Bank
XDR.....	Special Drawing Rights

1. EXECUTIVE SUMMARY

The Poverty Reduction Fund (PRF) is an initiative of the Lao Government¹, to contribute to social and economic development towards poverty alleviation for all, targeting particularly the smaller ethnic groups living in remote areas. PRF was established by a Prime Minister decree² and it is now attached to the National Leading Committee for Rural Development and Poverty Alleviation in the Prime Minister Office. PRF objectives are to build the capacity of and to empower poor villagers to plan, manage, and implement their own public investments, to develop community infrastructures and gain improved access to services as well as to strengthen local institutions and to support participatory decision-making and conflict resolution processes.

This report is a summary of PRF implementation from July to September 2008 and covers the continuation of Cycle IV and V pending activities as well as the beginning of Cycle VI.

Cycle IV

547 subprojects out of 548 selected subprojects are completed. The last pending subproject is the rehabilitation of a road in Samoy district (Saravanh) whose implementation has been delayed for technical problems faced by the subcontracted company. However, this subproject is completed at 65%.

Cycle V

Up to the end of September 2008, 295 (96%) out of 307 selected subprojects were completed. 11 pending subprojects are progressing with a completion rate superior to 50%. One subproject was terminated due to insufficient budget to complete the work. At the end of September 2008, 95% of the budget had been transferred to the different koumban bank accounts.

Cycle VI

The preparation of cycle VI was launched in March 2008, with the collection of village profiles in 1,471 villages. These village profiles allowed PRF to grade the poverty level of all villages (PG 0 = better off villages and PG 4 = poorest villages).

Poverty Grading	0	1	2	3	4
%	24	32	18	15	10

Village Profiles data entry was completed in May 2008 before the launching of the VNPA. The data entry of the outcomes of the VNPA is currently being processed. During the District Prioritization Meetings, which took place in August 2008, 960 priorities were selected for design and survey which include 554 (58%) training subprojects and 406 (42%) infrastructure subprojects. 23% of the requested infrastructure subprojects were coming from the better off villages (Poverty Grading 0).

During September 2008, PRF main activities consisted in the survey and design of the infrastructure subprojects, in the preparation of subprojects proposals alongside the community members and in the organization of the Koumban Confirmation Meetings.

¹ Supported by the World Bank (IDA, credit no. 3675 LA – 15,300,000 XDR).

² Decrees 073/PM on 31 May 2002, amended the 29 September 2006 (222/PM).

2. ACHIEVEMENTS IN CYCLE IV AND CYCLE V

2.1. Brief summary of Cycle IV implementation

Up to the end of September 2008, all Cycle IV subprojects were completed at the exception of a rural road rehabilitation subproject in Samoy district (Saravanh province) which has only been completed at 65%. After the second payment, the company, which was selected, decided to subcontract the work to another company without consultation with PRF. The newly contracted company soon stopped the work apparently because of a conflict regarding payment with the first company. Negotiations are currently under way between the local authorities and a new company to complete the rehabilitation.

The direct causes of the problem:

- Contractor's lack of capability to implement the work;
- Contractor's lack of technical equipments to conduct the work,
- Contractor's lack of experience in rural areas which led to the need to subcontract the work to another company;
- the transfer of the responsibility of the contractor to another company without consulting concerned stakeholders (PRF and local authorities).

The indirect causes of the problem:

- Samoy district is one of the most difficult areas to work in with a high level of poverty, dramatic language barriers making communication extremely difficult and serious accessibility issues. As a result, few companies are interested to respond to community bids for small infrastructures;
- Because of its location (closed to the border between Vietnam and Laos), Samoy is affected by a very long rainy season. Moreover, the logging trucks travelling between Laos and Vietnam are causing serious damage to the roads.

2.2. Cycle V implementation progress

Although Cycle V was supposed to be completed in May 2008 just before the start of Cycle VI, the implementation of some subprojects is still under way by the end of September 2008. 307 subprojects were selected in the 21 target districts for a total budget of 35 billion kip (US\$ 3,700,000). At the end of September 2008, 295 subprojects have been completed (96%) which is 4% more than the number of subprojects completed at the same period for the previous Cycle. More than 33 billion kip (95% of the budget) have been transferred to the different Koumban bank accounts.

2.2.1. Work progress by province

By the end of September 2008, the implementation of subprojects in Huaphan and Xiengkhuang were completed. The 11 pending subprojects, all by more than 50% are located in the three southern provinces. The number of completed subprojects in Champasack, Savannakhet and Saravanh represent respectively 95%, 93% and 88% of the total number of subprojects. Although delayed the implementation of all subprojects is progressing at the exception of one weir subproject in Sukuma district (Champasack) whose implementation was interrupted because of insufficient budget to cover the construction costs. Negotiations are currently held with the subcontractor and additional budget might be needed (to be taken from next cycle allocation if new proposal approved during the

planning process for cycle VI). More details about Cycle V subprojects implementation can be found in Annex 1.

Figure 1: Completed subprojects compared to planned subprojects

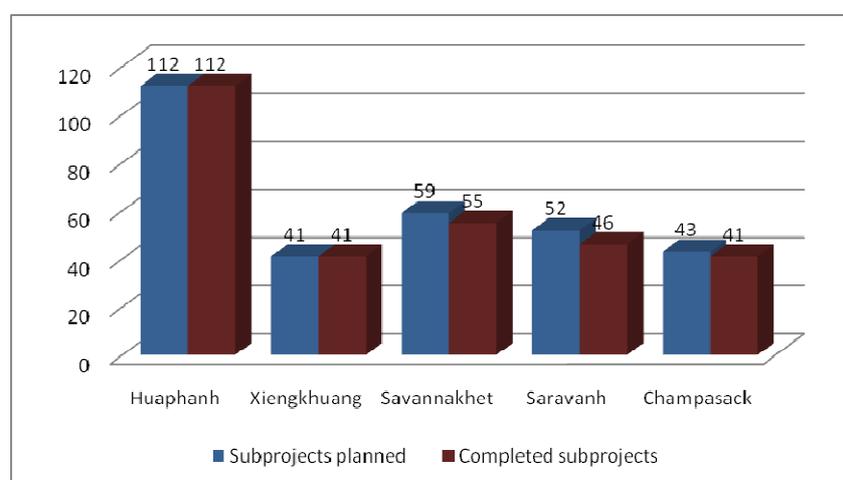


Table 1: Subprojects' implementation progress by province (Cycle V, 30/09/2008)

Sector	Progress (%)	Huaphanh	Xiengkhuang	Savannakhet	Saravanh	Champasack	Total
Education	<50	0	0	0	0	0	0
	≥50	0	0	0	0	1	1
	100	13	13	25	16	19	86
Access and Energy	<50	0	0	0	0	0	0
	≥50	0	0	0	6	0	6
	100	44	4	17	8	6	79
Health	<50	0	0	0	0	0	0
	≥50	0	0	0	0	0	0
	100	38	14	6	11	7	76
Agricultural Infrastructure	0	0	0	0	0	1	1
	<50	0	0	0	0	0	0
	≥50	0	0	0	0	0	0
	100	3	1	2	1	2	9
ITE	<50	0	0	0	0	0	0
	≥50	0	0	4	0	0	4
	100	14	9	5	10	7	45
Total SP		112	41	59	52	43	307
Completed SP		112	41	55	46	41	295
%		100%	100%	93%	88%	95%	96%

The following reasons explain the delays taken in the implementation of infrastructure subprojects in Saravanh:

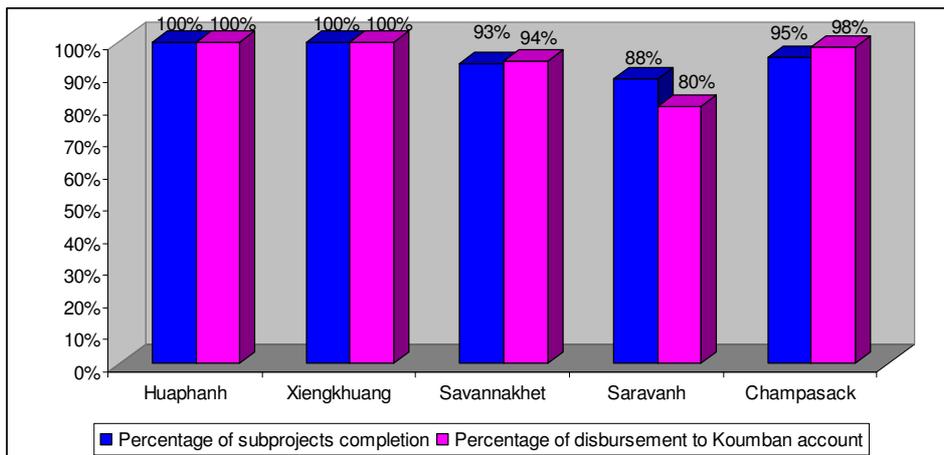
- Delays taken in the implementation of one road upgrading subproject in Ta Oy district (Saravanh province) because of a lack of coordination between the contractor and the community. Both parties disagree on the level of community contribution in terms of provision of material. Local authorities were only recently informed about this issue and started facilitating the negotiation between them in order to find a solution to this problem.
- Several electricity line extension subprojects were subcontracted to the same company, which has faced some cash flow problems and was only able to implement one subproject at a time.
- Unexpected rise of construction material and equipment costs which constitute a challenge for many construction companies who won bids based on old prices;

- In one instance, insufficient experience working in remote area led a contractor to stop the work, despite attempts by local authorities to negotiate on this matter.

2.2.2. Comparison of work progress and disbursement

At the end of September 2008, Cycle V disbursements reached 95%, 4% higher than the disbursement level at the same time last year. The undisbursed budget represents the 10% guarantee for some infrastructure subprojects and the a few final transfers to Koumban bank accounts, which were processed by PRF national office during the month of September.

Figure 2: Work and disbursement progress by province (Cycle V, 30/9/2008)



2.3. Community Contribution for Cycle V

After three to five years (depending on the province) of involvement with PRF process, villagers have a better understanding of the program’s approach. As a result, they are also more eager to contribute the workmanship and material needed to construct the infrastructures. In turn, this contribution ensures that they feel ownership of the infrastructures, which is a key factor for their sustainability.

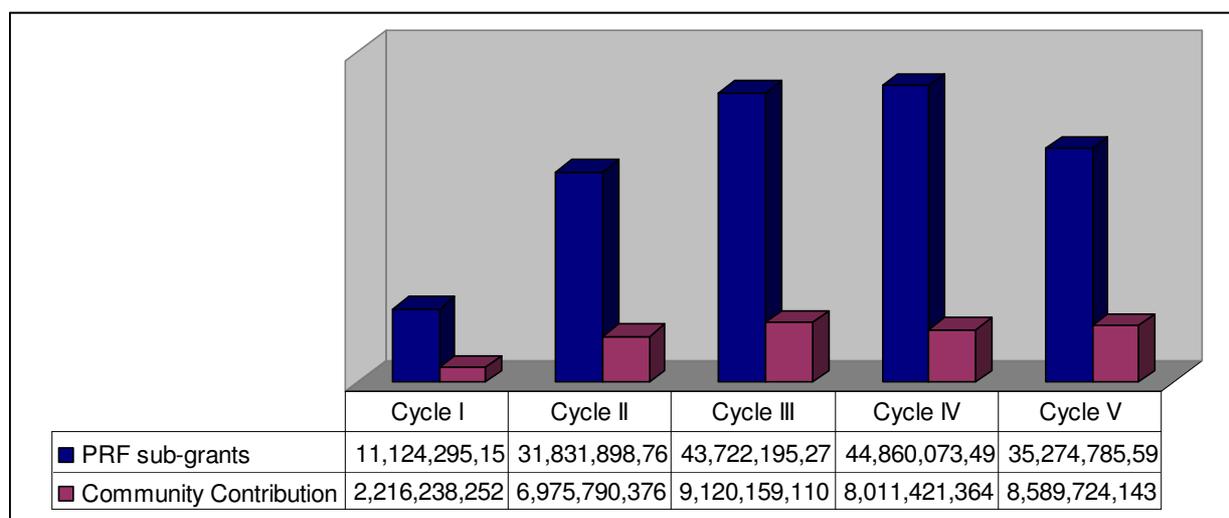
The percentage of the community contribution increased by 5% compared to last year. The contribution rate is higher in the Northern provinces. PRF believes that it is because most districts in these provinces are mountainous and villages there still need most basic infrastructures. As a result, the subprojects are making a big difference for villagers who are therefore ready to contribute significantly. Other factors are the existing incomes in the communities and the availability of natural resources (particularly wood) in these areas.

Table 2: Community contribution for Cycle V

Districts and Provinces	Total (kip)	PRF budget	Community contribution	Ratio
Sobbao	864,241,052	366,114,000	1,230,355,052	30%
Add	860,064,445	273,899,347	1,133,963,792	24%
Xiengkhor	1,238,421,844	359,742,308	1,598,164,152	23%
Viengxay	1,487,279,566	426,305,530	1,913,585,096	22%
Huameuang	1,925,092,841	1,909,822,727	3,834,915,568	50%
Xamtay	4,464,610,768	1,266,637,300	5,731,248,068	22%
Viengthong	2,393,182,530	672,753,504	3,065,936,034	22%
Huaphanh	13,232,893,046	5,275,274,716	18,508,167,762	29%
Nonghaed	2,308,210,020	548,273,670	2,856,483,690	19%
Khoun	1,860,540,429	250,246,000	2,110,786,429	12%
Kham	1,565,902,695	280,312,000	1,846,214,695	15%
Xiengkhouang	5,734,653,144	1,078,831,670	6,813,484,814	16%
Samoy	1,686,189,477	212,220,235	1,898,409,712	11%
Toumlan	1,719,429,605	215,384,520	1,934,814,125	11%
Taoy	2,050,532,005	275,364,045	2,325,896,050	12%
Saravanh	5,456,151,087	702,968,800	6,159,119,887	11%
Sepone	2,004,500,002	454,305,732	2,458,805,734	18%
Nong	1,576,999,995	156,409,950	1,733,409,945	9%
Vilabury	2,004,500,000	233,961,660	2,238,461,660	10%
Phin	2,242,000,919	296,532,600	2,538,533,519	12%
Savannakhet	7,828,000,916	1,141,209,942	8,969,210,858	13%
Mounlapamok	649,406,850	25,136,550	674,543,400	4%
Khong	822,093,136	71,239,015	893,332,151	8%
Sukuma	880,239,844	173,487,850	1,053,727,694	16%
Pathoumphone	671,347,570	121,575,600	792,923,170	15%
Champassack	3,023,087,400	391,439,015	3,414,526,415	11%
Grand Total	35,274,785,593	8,589,724,143	43,864,509,737	20%

In five years, the community contribution has reached almost 35 billion Kip (21% of the total investment). Huaphanh is the province where this contribution is the highest (or second highest depending on the year) with community contribution reaching 27%, 24%, 19%, 17% and 29% of the total investment from cycle I to cycle V.

Figure 3: Evolution of Community Contribution since 2003



2.4. Analysis of Cycle V subprojects' implementation

2.4.1. Variance of subproject changes by sector

District Decision Meetings (DDM) took place in September 2007 to select the subprojects which will be implemented. During these meetings, 305 subprojects (9%) were selected out of the 3,341 priorities expressed during the VNPA meetings. This figure was then increased to 307 linked to a mistake in the reporting system for a culvert subproject in Xiengkhor district (Huaphanh province) and to the split of one Natural Resource and Conservation subproject under the ITE sector in Khong district (Champasack province).

Table 3: Comparison of subprojects by sector from planning to implementation

Sector	Subprojects Planned (DDMs)	Subprojects Implemented	Changes	Variance
Education	87	88	+1	0.01
Access and Energy	84	85	+1	0.01
Health	76	76	0	0.00
Agricultural Infrastructure	12	9	-3	0.25
ITE	46	49	+3	0.07
<i>Total</i>	<i>305</i>	<i>307</i>	<i>2</i>	<i>0.01</i>

During the implementation of subprojects, it appeared that two animal raising subprojects in Xiengkhuang province were mistakenly allocated to the agricultural infrastructure sector and were later on moved to the ITE sector. On top of that, an Animal Vaccine subproject in Mounlapamok district was cancelled due to its technical complexities and to an underestimation of its costs. As a result, this subproject was replaced by the provision of equipment and materials to an existing school in the same koumban.

2.4.2. Variance of budget changes by sector

The changes in the number of subprojects (described above) had an impact on the investment costs. The replacement of the animal vaccine subproject by provision of school materials increased the education sector budget by 17 million kip. On the other side, the budget allocation of the agricultural infrastructure sector decreased by 121 million kip (deletion of the animal vaccine subproject and deduction of the budget of two animal raising training subprojects which were allocated to the ITE sector).

Table 4: Comparison of budget by sector from planning to implementation

Sector	PRF Budget planned	PRF budget actual	Changes	Variance
Education	11,245,595,325	11,262,538,760	16,943,435	0.00
Access and Energy	14,311,658,201	14,311,658,204	3	0.00
Health	6,494,694,236	6,494,694,240	4	0.00
Agricultural Infrastructure	725,459,061	603,963,099	(121,495,962)	0.00
ITE	2,497,378,770	2,601,930,437	104,551,667	0.00
<i>Total</i>	<i>35,274,785,594</i>	<i>35,274,784,740</i>	<i>(854)</i>	

In general, the changes of the budget are in line with the fluctuation of the subprojects change in each sector.

3. LAUNCH OF CYCLE VI

As agreed by PRF National Administrative Board and by the donors, from Cycle VI to Cycle VIII (2008-2011), PRF work will pursue three main objectives:

- information dissemination and community awareness raising;
- local authorities capacity building;
- construction of basic infrastructures in the communities to give to people living in remote areas access to public services.

PRF activities will benefit the 620,164 persons living in the 1,471 villages (195 Koumban) of the 19 first priority districts of the six provinces where PRF is operating. PRF activities will be funded by grants from the World Bank and SDC for a total amount of \$20 million. The additional 3-year phase will start October 1, 2008.

3.1. New Poverty Grading System for Cycle VI

Starting from Cycle VI, PRF has reviewed the poverty grading system. This new system is detailed in PRF Manual of Operations dated June 26, 2008. The Poverty Grading is now a function of the presence and condition of certain infrastructures in the village or in surrounding villages allowing access to basic services: road, health, education and clean water. Moreover, the poverty ranking of the different villages (which give them access to different menu of options) is based on data collected by PRF teams and koumban facilitators and included in a new form called Village Profile. Any village having reasonable access to the related services are categorized as better-off village. Such villages can only have access to training subprojects.

The collection of the village profiles was carried out in March, and the data entry was done in May 2008. The outcomes in terms of poverty grading are presented in Table 5 (below).

Note: At the time of data collection, PRF did not have teams based in Luangnamtha (three districts), in Thathom (Xiengkhouang) and in Bachiang (Champasack). As a result, in these five districts, data were submitted to PRF by the district authorities. Proper data collection according to PRF Manual Operations will start in these districts in 2009 (cycle VII). PRF will also check all the data collected in better-off villages in all districts.

The collection of village profiles also allowed PRF to collect additional information about the villages:

- The villages where PRF is active are made of 28 ethnic groups³: the Lao Lum and Mong Der groups represent respectively 23% and 19% of the target population. The most frequent ethnic groups in the North are the Kmou, Mong Der, Pong Faen, Pong Lan, Yao, Phuan, Tai Dam, Tai Daeng, Tai Oh, and Lao Lum. In the South, the main ethnic groups are the Katou, Kanai, Samtao, Pako, Kmae, Xuiy, Brukatang, Brumakong, Brutri, Phoutai, Taoy, Tai Dam, Laven, Lavae, Lao Lum and Alak.
- Women represent 52% of the target population.

³ The information doesn't include the figure of the ethnic group in three districts in Luang Namtha and one district in Thathom, Xiengkhouang province. As the information of these four districts are not yet completed by the time of data analysis.

Table 5: Village Poverty Grading

PROVINCE/DISTRICT	Number KB	Number Villages	Poverty Grading				
			G4	G3	G2	G1	G0
			poor villages		better off		
LUANGNAMTHA	29	200	101	76	22	1	0
LONG	9	82	39	25	17	1	0
NALAE	13	72	22	50	0	0	0
VIENGPHOUKA	7	46	40	1	5	0	0
HUAPHAN	69	484	3	18	59	190	214
HUAMUAENG	9	77	2	6	6	26	37
VIENGTHONG	13	71	0	0	4	31	36
VIENGXAI	13	109	0	1	9	25	74
XIENGHOR	12	59	0	2	8	41	8
XAMTAI	22	168	1	9	32	67	59
XIENGKHUANG	25	226	13	36	54	76	47
KHOUNE	8	89	0	11	22	31	25
NONGHED	13	110	13	22	23	34	18
THA THOME	4	27	0	3	9	11	4
SAVANNAKHET	52	347	21	74	91	121	40
SEPOL	15	88	7	10	22	31	18
VILABOULI	13	80	5	25	22	22	6
NONG	9	73	8	16	18	24	7
PHINE	15	106	1	23	29	44	9
SARAVANE	9	113	9	18	23	52	11
TA OUY	5	56	1	3	10	35	7
SA MOUAY	4	57	8	15	13	17	4
CHAMPASAK	11	101	1	5	16	32	47
BACHIENG	5	45	1	3	13	14	14
SUKOUMMA	6	56	0	2	3	18	33
	195	1,471	148	227	265	472	359
PERCENTAGE			10%	15%	18%	32%	24%

3.2. Cycle VI District Allocation

The Program Management Team prepared a first draft of the District Allocation in July 2008. The World Bank and the Swiss Agency for Development and Cooperation provided their no-objection on August 7, 2008 and the National Administrative Board endorsed it. The total district allocation budget for Cycle VI is 4,423,000 USD (*Cf. Table 7, p. 15*).

From cycle VI, PRF will use a new method to calculate the district allocations, which is detailed in the new Operations Manual formally submitted to the donors June 26, 2008.

This new method is based on the following criteria:

- the number and the population of all the villages in the each supported district;
- the poverty grading of each village in the district (linked with the number of existing basic infrastructures in the village);
- a per capita allotment adjusted when finalizing the district allocation to fit with the budget available each year;
- the capacity, during the previous cycle, of the district stakeholders to allocate budgets in priority to the poorest villages of the district (Championship-of-the-poor factor);
- the capacity, during the previous cycle, of the district stakeholders to manage the allocated budget appropriately and in a timely manner (Spending Capacity factor).

Unlike the calculation of previous years' allocations, in 2008, the data used (number and population of all the villages and number of existing infrastructures) were collected directly by PRF using the new Village Profile collection process (see above).

During the preparation of the three-year extension of the program, the village profiles had not yet been collected. As a result, PRF teams used data from the National Statistics Center (used in previous years to calculate the district budget allocation but which had not been updated since the beginning of the program) to prepare the budget simulation which included a simulation of the different district budget allocations. In this simulation, PRF used a per capita allotment of US\$ 5.4 to fit with the available sub-grants' annual budget of US\$ 4,422,700. Each district budget allocation was then reviewed by the team and by the Project Preparation Team and considered acceptable before the budget was submitted to the donors.

Once PRF teams finished collecting the village profiles, it appeared that the final data (number of villages, population of each villages and number of infrastructures existing in each village) were dramatically different from the data used when preparing the budget simulation: smaller number of villages and of villages' population and increased number of infrastructures present in many villages. The reasons for these important differences can include the quality of the data provided by the National Statistics Center and used at the beginning of the program, physical population relocations, administrative villages consolidation and the fact that many infrastructures have been built (by PRF and by other actors) in the last 5 years.

As a result PRF had to increase the per capita allotment to US\$ 8.935 in order to allocate the annual sub-grants' budget. Moreover, the budgets allocated to the several districts are very different compared to the budget simulation and to previous cycles' allocations. These differences can be extremely important (budget decreased by 2 to 3 times for certain districts compared with cycle V).

As it was too late to inform the district authorities of such dramatic decreases, the Program Management Team proposed to smooth the transition to the new poverty grading system progressively across the coming two cycles. As a result, the district budget allocations submitted and approved have been adjusted to limit the big differences between the allocations of cycle V and cycle VI. This was explained to the government and to the donors who have accepted these adjustments at the condition that for cycle VII onwards, PRF communicate, in advance, to local authorities of affected districts, the new decreases of their budget allocations. It is therefore expected that the Cycle VII district budget allocations will be calculated using a strict application of the formula detailed in the Manual of Operations and poverty data collected and crosschecked every year.

Table 6: Comparison table and suggested adjustments

Provinces / Districts	Cycle V		Cycle V (Simulation including Luang Namtha)		Cycle VI (Simulation prior to Village Profiles Collection)		Cycle VI (Before adjustments)		Cycle VI Adjusted District Budget Allocation			
	Final Budget Allocation	% of national budget allocation	District Budget Allocation	% of national budget allocation	District Budget Allocation	% of national allocation	District Budget Allocation	% of national allocation	Adjustments	Final Budget Allocation	% of national budget allocation	
Luang Namtha			847,700	18.6%	540,800	12.2%	847,700	19.2%	300	848,000	19.2%	
Viengphoukha			\$239,600	5.3%	\$146,000	3.3%	\$239,600	5.4%		\$240,000	5.4%	
Long			\$344,000	7.6%	\$221,200	5.0%	\$344,000	7.8%		\$344,000	7.8%	
Nalae			\$264,100	5.8%	\$173,600	3.9%	\$264,100	6.0%		\$264,000	6.0%	
Huaphanh	1,395,000	37.7%	1,395,000	30.7%	1,277,700	28.9%	923,300	20.9%	171,700	18.6%	1,095,000	24.8%
Xieng Khor	\$133,000	3.6%	\$133,000	2.9%	\$192,500	4.4%	\$185,400	4.2%	-29,400	-15.9%	\$156,000	3.5%
Viengthong	\$252,000	6.8%	\$252,000	5.5%	\$170,300	3.9%	\$96,300	2.2%	103,700	107.7%	\$200,000	4.5%
Viengxay	\$157,000	4.2%	\$157,000	3.5%	\$265,500	6.0%	\$104,800	2.4%	25,200	24.0%	\$130,000	2.9%
Huameuang	\$203,000	5.5%	\$203,000	4.5%	\$215,200	4.9%	\$151,200	3.4%	37,800	25.0%	\$189,000	4.3%
Xamtay	\$470,000	12.7%	\$470,000	10.3%	\$434,200	9.8%	\$385,600	8.7%	34,400	8.9%	\$420,000	9.5%
Add	\$89,000	2.4%	\$89,000	2.0%								
Sobbao	\$91,000	2.5%	\$91,000	2.0%								
Xiengkouang	604,000	16.3%	604,000	13.3%	615,600	13.9%	649,500	14.7%	-34,500	-5.3%	615,000	13.9%
Nong Het	\$243,000	6.6%	\$243,000	5.3%	\$284,200	6.4%	\$329,700	7.5%	-74,700	-22.7%	\$255,000	5.8%
Khoun	\$196,000	5.3%	\$196,000	4.3%	\$247,000	5.6%	\$218,200	4.9%	-23,200	-10.6%	\$195,000	4.4%
Thathom					\$84,400	1.9%	\$101,600	2.3%	63,400	62.4%	\$165,000	3.7%
Kham	\$165,000	4.5%	\$165,000	3.6%								
Savannakhet	824,000	22.3%	824,000	18.1%	1,017,000	23.0%	1,223,300	27.7%	-228,300	-18.7%	995,000	22.5%
Phin	\$236,000	6.4%	\$236,000	5.2%	\$365,600	8.3%	\$395,700	8.9%	-160,700	-40.6%	\$235,000	5.3%
Sepon	\$211,000	5.7%	\$211,000	4.6%	\$297,900	6.7%	\$336,900	7.6%	-71,900	-21.3%	\$265,000	6.0%
Nong	\$166,000	4.5%	\$166,000	3.7%	\$150,700	3.4%	\$212,300	4.8%	72,700	34.2%	\$285,000	6.4%
Vilaboury	\$211,000	5.7%	\$211,000	4.6%	\$202,800	4.6%	\$278,400	6.3%	-68,400	-24.6%	\$210,000	4.7%
Saravan	579,000	15.6%	579,000	12.7%	272,400	6.2%	328,800	7.4%	151,200	46.0%	480,000	10.9%
Ta Oy	\$217,000	5.9%	\$217,000	4.8%	\$179,100	4.0%	\$207,400	4.7%	47,600	23.0%	\$255,000	5.8%
Sa Moy	\$181,000	4.9%	\$181,000	4.0%	\$93,300	2.1%	\$121,400	2.7%	103,600	85.3%	\$225,000	5.1%
Toumlan	\$181,000	4.9%	\$181,000	4.0%								
Champasack	298,000	8.1%	298,000	6.6%	699,200	15.8%	449,900	10.2%	-59,900	-13.3%	390,000	8.8%
Bachiang					\$375,500	8.5%	\$268,700	6.1%	-59,700	-22.2%	\$209,000	4.7%
Sukuma	\$70,000	1.9%	\$70,000	1.5%	\$323,700	7.3%	\$181,200	4.1%	-200	-0.1%	\$181,000	4.1%
Khong	\$88,000	2.4%	\$88,000	1.9%								
Mounlapamok	\$64,000	1.7%	\$64,000	1.4%								
Phathoumphone	\$76,000	2.1%	\$76,000	1.7%								
TOTAL	3,700,000	100.0%	4,547,700	100.0%	4,422,700	100.0%	4,422,500	100.0%	500	4,423,000	100.0%	

Table 7: Final District Budget Allocation for Cycle VI

Provinces / Districts	Basic Allocation				District Budget Allocation					Adjusted District Budget Allocation			
	Villages	KB	Population	Basic Allocation (A)	Champion-ship of the poor (B)	Spending Capacity (C)	(A) x (B) x (C)	Rounded to the nearest \$100	% of national allocation	Adjustments	Final Budget Allocations	% of national budget allocation	
Luang Namtha	200	29	71,071	847,784			847,784	847,700	19.2%	300	0%	848,000	19.2%
Viengphoukha	46	7	19,623	239,623 USD	1	1	\$239,623	\$239,600	5.4%	400	0%	\$240,000	5.4%
Long	82	9	29,273	344,040 USD	1	1	\$344,040	\$344,000	7.8%			\$344,000	7.8%
Nalae	72	13	22,175	264,121 USD	1	1	\$264,121	\$264,100	6.0%	-100	0%	\$264,000	6.0%
Huaphanh	484	69	179,533	889,321			923,192	923,300	20.9%	171,700	19%	1,095,000	24.8%
Xieng Khor	59	12	26,452	185,374 USD	1	1	\$185,374	\$185,400	4.2%	-29,400	-16%	\$156,000	3.5%
Viengthong	71	13	26,831	107,033 USD	0.9	1	\$96,330	\$96,300	2.2%	103,700	108%	\$200,000	4.5%
Viengxay	109	13	34,837	95,239 USD	1.1	1	\$104,763	\$104,800	2.4%	25,200	24%	\$130,000	2.9%
Huameuang	77	9	30,620	151,172 USD	1	1	\$151,172	\$151,200	3.4%	37,800	25%	\$189,000	4.3%
Xamtay	168	22	60,793	350,503 USD	1.1	1	\$385,553	\$385,600	8.7%	34,400	9%	\$420,000	9.5%
Xiengkouang	226	25	81,871	599,738			649,549	649,500	14.7%	-34,500	-5%	615,000	13.9%
Nong Het	110	13	36,667	299,715 USD	1.1	1	\$329,687	\$329,700	7.5%	-74,700	-23%	\$255,000	5.8%
Khoun	89	8	32,019	198,391 USD	1.1	1	\$218,230	\$218,200	4.9%	-23,200	-11%	\$195,000	4.4%
Thathom	27	4	13,185	101,632 USD	1	1	\$101,632	\$101,600	2.3%	63,400	62%	\$165,000	3.7%
Savannakhet	347	52	153,712	1,217,295			1,223,254	1,223,300	27.7%	-228,300	-19%	995,000	22.5%
Phin	106	15	53,881	439,650 USD	0.9	1	\$395,685	\$395,700	8.9%	-160,700	-41%	\$235,000	5.3%
Sepon	88	15	46,059	306,257 USD	1.1	1	\$336,883	\$336,900	7.6%	-71,900	-21%	\$265,000	6.0%
Nong	73	9	22,476	192,981 USD	1.1	1	\$212,279	\$212,300	4.8%	72,700	34%	\$285,000	6.4%
Vilaboury	80	13	31,296	278,407 USD	1	1	\$278,407	\$278,400	6.3%	-68,400	-25%	\$210,000	4.7%
Saravan	113	9	36,994	298,896			328,786	328,800	7.4%	151,200	46%	480,000	10.9%
Ta Oy	56	5	24,470	188,570 USD	1.1	1	\$207,427	\$207,400	4.7%	47,600	23%	\$255,000	5.8%
Sa Moy	57	4	12,524	110,326 USD	1.1	1	\$121,359	\$121,400	2.7%	103,600	85%	\$225,000	5.1%
Champasack	101	11	97,883	470,026			449,892	449,900	10.2%	-59,900	-13%	390,000	8.8%
Bachiang	45	5	47,083	268,686 USD	1	1	\$268,686	\$268,700	6.1%	-59,700	-22%	\$209,000	4.7%
Sukuma	56	6	50,800	201,340 USD	0.9	1	\$181,206	\$181,200	4.1%	-200	0%	\$181,000	4.1%
TOTAL	1,471	195	621,064	4,323,060			4,422,456	4,422,500	100.0%			4,423,000	100.0%

3.3. District Prioritization Meetings for Cycle VI

The District Prioritization Meetings (DPMs) for Cycle VI were held in the 19-targeted districts in August 2008. Following these meetings, 960 priorities were selected including 554 training subprojects (58%) and 406 infrastructure subprojects (42%).

Table 8: Outcomes of the District Prioritization Meetings for Cycle VI

Districts/Number of Subprojects	Number of Subprojects by Sectors						Total Subprojects
	Education	Public Work and Transportation and Energy	Health	Agricultural Infrastructure	Total of Infrastructure subprojects	Capacity Building	
LUANGNAMTHA							
Viengphouka	7	4	7	0	18	16	34
Long	4	7	3	4	18	18	36
Nalae	5	10	6	0	21	21	42
Sum 1	16	21	16	4	57	55	112
HUAPHAN							
Xiengkhor	7	6	12	2	27	31	58
Huamaeng	5	6	9	0	20	39	59
Viengxai	2	9	13	4	28	45	73
Xamtai	6	11	21	1	39	71	110
Viengthong	3	3	18	4	28	29	57
Sum 2	23	35	73	11	142	215	357
XIENGKHUANG							
Thathome	2	0	6	0	8	11	19
Khoun	3	4	6	4	17	33	50
Nonghaed	9	4	10	0	23	43	66
Sum 3	14	8	22	4	48	87	135
SAVANNAKHET							
Sepon	8	9	14	3	34	31	65
Nong	7	6	1	1	15	17	32
Vilabuly	8	3	16	1	28	25	53
Phine	9	12	8	1	30	32	62
Sum 4	32	30	39	6	107	105	212
SARAVAN							
Samouy	5	4	1	1	11	24	35
Ta Oey	3	2	4	7	16	23	39
Sum 5	8	6	5	8	27	47	74
CHAPASACK							
Sukuma	8	3	2	2	15	24	39
Bachieng	6	0	3	1	10	21	31
Sum 6	14	3	5	3	25	45	70
Total	107	103	160	36	406	554	960
Percentage	26%	25%	39%	9%	42%	58%	100%

3.3. Subprojects' design and Survey and Preparation of the proposals

Straight after District Prioritization Meetings, PRF district teams with their district offices' counterparts started to go to the different villages to assess the feasibility of the prioritized projects, to design the requested infrastructures and to work with villagers to plan the implementation of the subprojects and to prepare the subprojects' proposals. The CD district staff also worked with the potential training providers and the koumban representatives to review the different training priorities pushed forward by village representatives and to prepare the trainings, which will be funded and will be organized at koumban level so that they can benefit most villages of the koumban.

4. ASSESSMENTS AND PROSPECTS

4.1. External Assessments

No external assessment took place during the reporting period.

4.2 World Bank Missions

No World Bank mission took place during the reporting period.

4.3 Other activities

4.3.1. Annual Review and Strengthening Workshop 2008 for PRF staff

The fifth annual review meeting to further build the capacity of PRF staff to contribute to poverty alleviation in Lao PDR was held in Xiengkhuang from June 30 to July 5, 2008. 173 participants from different organizations attended the meeting including 56 women. At the end of the meeting, the following resolutions were prepared and validated by all participants.

I. General Agreement

1. From Cycle VI (2008-2009) onwards, PRF will give the priority to the resolution of the following issues: land allocation, natural resource management and environmental conservation for the koumbans where PRF operates. In order to achieve this, an announcement letter will be issued by the President of the National Leading Committee for Rural Development and Poverty Alleviation and sent to the provincial governors asking for the government line agencies to forward the message to the district authorities and to the concerned sectors.
2. PRF will increase the level of its cooperation with government concerned sectors including the NLCRDPA at provincial and district level as well as with the different Koumban Development Committees. Jointly, they will aim at creating awareness and strengthening the capacity at all levels to fulfill its mission: rural development and poverty alleviation of the country.

II. Specific agreements

1. Finance and Administration Work

- Increase the capacity of PRF staff and encourage them to work hard to fulfill their tasks and to give of one's best to deliver positive outcomes, develop training modules and upgrade PRF staff technical knowledge in accordance with the human resource development plan of the government;
- Improve the financial management system, which has been used since the beginning of the project, upgrade PRF office facilities and, most importantly, to ensure transparency and accountability at all levels;
- Ensure and, when possible, speed up, timely disbursements from the central level up to the koumban bank accounts, improve community representatives' management skills and encourage them to participate in all processes;

- Ensure that all procurements are well managed by the communities and that PRF provides appropriate technical support in accordance with government and international regulations and standards. Mitigate any possibility of frauds for personal benefit and address any rumor that might jeopardize PRF credit;
- Improve PRF communication tools and office equipments so that the work can be carried on in a non-ostentatious way;
- Revise and consider an increase of DSA/Perdiem rates for PRF staff and community representatives in accordance with the living condition and with government and donors' regulations;
- Ensure that the expenditures stay in line with the defined budget components: Sub-grants: 66%, Capacity Building: 15%, and PRF Management: 19%.

2. Community Development Work

- PRF community development work aiming at reducing poverty should focus on the three following axis:
 - (1) Change of perception;
 - (2) Change of working style; and
 - (3) Change of living style

It is thus important that all PRF staff understand and share the responsibilities of the community work as a key component of all PRF activities and progressively improve their knowledge through the three elements:

- (1) Learn through thinking;
 - (2) Learn how to communicate, consult and collaborate with concerned sectors;
 - (3) Learn how to teach, encourage other people, and adapt to any situation in an appropriate manner;
- All activities aiming at disseminating information, educating, improving public relations and creating community awareness (focusing on the two target groups: youth and civil servants) should cover the following categories:
 - (1) Education sector;
 - (2) Health sector;
 - (3) Production;
 - (4) Life style (diligence, honesty, efficiency and patience).
 - PRF community development staff at national, provincial and district levels are responsible to produce IEC tools and to use these tools in a simple way adapted to the actual conditions in remote communities. The tools will be developed as follows:
 1. 40% of IEC activities should be carried on by the national team;
 2. 60% of the tools produced should come from the the grass root level (including pictures and use of the koumban information board);
 - Updated information should be regularly posted on the koumban information boards and the community meeting halls. Information to improve public relations and increase people's awareness can be disseminated through different media: radio, television, publications, koumban information boards, meetings and discussions with local authorities and with senior and experienced people;
 - IEC tools used at district and koumban levels include local radio, Lao speakerphones network, boards and meetings organized by local authorities. Simultaneously, PRF teams

will regularly provide information that needs to be disseminated through the different meetings organized as part of its project cycle.

- Another major community development task is the strengthening of local authorities' management and administration capacities as well as their participatory planning capacities at district and village levels. In order to fulfill this work, the community development unit at the national office is assigned to develop training modules, to organize study tours and information sharing activities as well as a clear work plan for implementation. The unit should ensure that local authorities understand the context of the program and that proper coordination and consultation with the NLCRPA and the members of the political party committees at the grass root level is in place prior to the implementation of this work plan from cycle VI (2008-2009) onwards;
- To encourage community members to participate fully to the subprojects' implementation processes, PRF should work closely with mass based organizations (Youth Union, Women's Union, Trade union, Lao Front for National Construction) at village and district level so that they can contribute to this task;
- All types of conflicts happening during the subproject implementation should be closely investigated and solved by PRF staff and people from the concerned sectors, the koumban development committee at the local level and the senior people in the society according to PRF Feedback and Conflict Resolution mechanism;
- The Unit should improve the community development working procedures at all levels.

3. Technical Work

- Subprojects design and survey and proposal development should be done jointly by the technical and the community development staff together with the koumban representatives, the members of the Koumban Development Committee as well as the technical staff from the government concerned district offices;
- All subprojects supported by PRF will be handed over to local authorities who will be taking the lead from community members in terms of maintenance and management of funded infrastructures. This will be a condition for support for the next cycle onwards. The operation and maintenance use of the subprojects will be monitored by PRF through a visit every three months whose outcomes will be documented in a written report;
- PRF should discuss with the different Koumban Development Committees and jointly define the way they will cooperate in line with the Prime Minister decrees 09/PM and 13/PM. However, the approval of large subprojects involving disbursements over two or more cycles will not be possible. On the other hand, subprojects benefiting several villages or koumbans such as roads, bridges, dispensaries, dormitory for patients, medical equipment and scholarships will be encouraged.
- Prior to the approval of any single subproject, environmental impact and related natural resource management mechanisms have to be assessed. Technical and Community Development staffs are assigned to handle issues related to land allocation and land use in collaboration with the concerned sectors in order to mitigate potential negative impact, and at the same time, to increase social awareness on the need to preserve natural resources and environment and to use them in a sustainable way;
- It is agreed not to allow any change of subproject proposals after the Decision Making Meeting has been conducted. At the same time, PRF staff should try to encourage the

communities to implement part of the subprojects by themselves and to contribute to the costs;

- The unit cost database will be updated annually (May) by an independent and external consultant. PRF technical staffs at district level are responsible of the subprojects' design and of community contributions assessment. PRF technical staffs at provincial and national level are in charge of calculating the budget of each subproject using the unit cost database. The budget of subcontracted subprojects will not be announced until the completion of the bidding process;
- Regardless the construction method, it is agreed to improve the quality of the roof and to use blocks instead of bricks;
- Local authorities from the concerned sectors should participate in the monitoring activities. At the same time, pictures showing subproject implementation progress should be taken.

4. Monitoring and Evaluation

- The overall objective of the monitoring and evaluation work has been defined and include the assessment of the following aspects of PRF activities:
 - Community perception and social awareness of PRF processes and principles
 - Follow up of administrative and operational issues
 - Communities' satisfaction
- The monitoring and evaluation framework should cover follow up and analyze inputs, outputs, outcomes, impact as well as the sustainability of all subprojects.
- The Unit should ensure that achievements (Project Development Indicators) are presented to the local authorities and to the communities so that they understand and participate in PRF activities. It could also generate more support in the long run.
- The Monitoring and Evaluation Unit is assigned to design a framework to evaluate the outcomes and impact of all activities related to the capacity building of both local authorities and community members.

4.3.2. MIS Improvement

The improvement of PRF MIS system has been progressively implemented from March 2008. Major adjustments and developments include:

- the setting up of a new village profile system, which will allow to rank villages according to their poverty grading and to keep track of village consolidation and relocation;
- an improved interface between MIS and PRF financial system;
- the development of a new human resource management component (HR database).

In August 2008, an exceptional meeting was organized between the consultant company in charge of the MIS upgrade, PRF M&E Unit and PRF Finance and Administration Unit to look at the financial and human resources components of MIS.

- Financial component: Agreements were reached on the necessary improvements, which have already been incorporated into the new MIS: possibility to monitor the balances in PRF provincial bank accounts (funds received from the national office minus funds transferred to the different koumban teams' accounts) and the balances in the koumban teams' bank accounts (funds received from PRF minus actual expenditures). It was also agreed to improve the system to facilitate subprojects' financial data entry.

- Human Resources Component: The consultant company presented during that meeting a template to collect and enter Human Resources data. Comments were collected within PRF and a final template was submitted for incorporation in the system by the consultant company.

In order to ensure that PRF staffs at the provincial level fully understand the use of the upgraded MIS, a specific training (in addition to the training already organized during PRF annual workshop in Xiengkhouang) was organized in Vientiane. On top of the provincial M&E staff, one community development staff from each province was also invited to attend this one-week training as it is expected that the community development staff will later on take the responsibility to enter and process certain CD related data on the MIS in collaboration with PRF M&E staff. This should reduce M&E staff workload at provincial level increase the accuracy of the data related to PRF training activities.

Although most of the improvements have been incorporated, there are still some issues, which need to be addressed by the consulting company to finalize the financial and human resources components. As a result, they asked for an extension of the deadline to finalize the work. At the time of writing this report, it is still expected that they will deliver the final product by the end of October 2008.

4.3.3. Consultation with other stakeholders

A consultative meeting was held at PRF Office on July 31, 2008. The thirteen participants were representatives from different government concerned sectors including the Ministry of Agriculture and Forestry, the National Land Management Authority Department, the National Leading Committee for Rural Development and Poverty Alleviation and PRF.

The purpose of the meeting was to consult other stakeholder on issues related to rural development and poverty alleviation such as land management, income generation and natural resource conservation.

At the end of this half-day session, participants agreed on the following:

1. The participants agreed on the importance to create communities' and local authorities' awareness and to build their capacity on issues such as land allocation, efficient use of natural resource, market oriented production (income generation activities), water resource and environment protection, which key components of any rural development and poverty alleviation strategy;
2. The meeting agreed that all stakeholders should contribute to a better coordination between the Ministry of Agriculture and Forestry, the National Land Management Authority Department, the National Leading Board for Rural Development and Poverty Alleviation and PRF so that they can achieve an appropriate level of harmonization in terms of information dissemination, education, relation with local communities;
3. All the stakeholders agreed to issue an internal letter to its offices at provincial and district levels to increase the cooperation with PRF;
4. It was proposed to set up a specific meeting between the Department of Forestry and Resource Conservation and the Poverty Reduction Fund to discuss the possibilities to conduct pilot joint activities in the districts where PRF is present.

Other consultations took place with various stakeholders including:

1. Discussions with **GPAR** (Governance and Public Administration Reform) project staffs about the curriculum currently developed to support the capacity building of village headmen and koumban committees. A possible collaboration between PRF, PACSA (Public Administration and Civil Service Authority) and NAPA (National Academy for Political and Public Administration) to develop this curriculum and organize training at grass-root level which would include subjects on poverty reduction strategies at village level and on participatory planning was also explored.
2. PRF IEC team met with the **World Food Program**, which have developed various IEC tools targeting minorities who do not speak or write Lao. It was the occasion to benefit from their experience, to discover creative tools but also to discuss about the importance of addressing nutrition issues in remote ethnic communities as part of a poverty reduction initiative. Further discussions between WFP/FAO and PRF senior management should take place in the near future to discuss a possible implication of PRF in this field. Finally, the possibility to address training activities on nutrition in the training subprojects' list of option for cycle VII was explored. WFP has developed a training module targeting ethnic minority villages on how to use existing products in the mountain to offer a more diversified diet to children. District government staffs received a training of trainers in Long district (Luang Namtha) and will liaise with PRF district team to ensure that this training is considered when preparing next cycle list of options.
3. PRF senior advisor also met with **Geo-systems**, a consulting company, which is doing some research for **SNV** (Netherlands Development Organization). SNV is looking for local organizations who would be interested to receive technical trainings in the setting up of clean water systems in remote villages and to train district staffs and communities on the same topics. PRF expressed an interest to benefit from such trainings.
4. PRF has participated in the Rural Development Sub-working group on uplands sustainable development (Roundtable meeting mechanism facilitated by UNDP). This sub-working group is working on the development of a new program addressing rural development and poverty reduction issues in the upland communities of northern Laos. This working group is co-chaired by the Ministry of Agriculture and Forestry and by AFD (French Agency for Development). In these meetings, PRF has expressed the need of a multisectoral approach to address rural development, of looking first at people's needs and of using a participatory planning process to ensure participation of the communities themselves. Finally, PRF advocated for a coordinated approach with the participation of the NLCRDPA.

4.3.4. IEC Strategy and Local Institutions Capacity Building Work Plan

PRF has encountered difficulties to recruit its IEC team, which will be in charge of developing and implementing an IEC strategy. This is a crucial part of PRF strategy for the coming three years. In September, the team was finally in place and started working on meeting other IEC specialists in Vientiane and on the drafting of the strategy.

An opportunity arose to benefit from the services of a fully funded Australian volunteer to support the IEC team. A proposal has been prepared and is currently being reviewed by the NLCRDPA

before it is submitted to CPI and VIDA (Volunteering for International Development from Australia).

A first draft of the first cycle work plan for the Capacity Building of Local Institutions component has also been drafted. However, further discussions need to take place with Lao institutions mandated to train civil servants in order to coordinate efforts in this field (see above the consultation, which has already taken place with PACSA).

4.4. Overall PRF outputs since 2003

Since the beginning of the program, PRF worked in more than 1,900 villages covering a total population of more than 700,000 people. The program invested US\$ 16,616,000 to support 2,067 subprojects, of which 82% are infrastructure subprojects and 18% correspond to capacity building activities (ITE sector). For example, PRF has supported the construction of 411 schools and 61 bridges and funded the rehabilitation of roads providing access to more than 300 sites (2,500 km of rural roads).

Table 9: Summary of subprojects implementation since 2003

	Cycle I	Cycle II	Cycle III	Cycle IV	Cycle V	Cycle VI	Total
Number of Districts	10	14	20	21	21	19	21
Number of Villages with VNPA	913	1,431	1,913	1,880	1,268	<i>Pending</i>	
Number of Beneficiary Villages (direct and indirect)	558	849	1,003	1,100	1,002	<i>Pending</i>	
Number of Subprojects implemented	248	431	533	548	307	<i>(984 after DPM)</i>	2,067
Number of Subprojects initiated	248	431	533	548	306	<i>Not yet started</i>	2,066
Number of Subprojects completed	248	431	533	547	295	<i>Not yet started</i>	2,054
Funds Planned (kips)	11 billion	32 billion	44 billion	45 billion	35 billion	38 billion	205 billion
Funds disbursed to KB bank accounts (kips)	11 billion	32 billion	44 billion	44 billion	34 billion	<i>Not yet started</i>	159 billion
Percentage of subprojects closed	100%	100%	99%	97%	73%		

The subprojects accounts for cycle I and II are closed, while accounts for cycle III, IV and V are still pending. For cycle III, the activities were completed, but only the last payments for a certain number of subprojects in Saravanh province have to be made. However, it is expected to be closed by the end of October 2008. Remaining activities for Cycle IV and V are mostly completed and most of the funds balances correspond to guarantees to be paid to contractors after the final inspection will have taken place.

All the outputs and achievement made through five years of implementation helped to improve the living conditions of people. According to the results of recent analysis conducted by PRF staff on PRF impact in the education sector since cycle II, the schools supported by PRF contributed significantly to the improvement of students' education in the randomly selected areas (14 villages, 4 districts corresponding to a total population of 9,738 people in Huaphanh and Savannakhet provinces). These projects helped to reduce gender discrimination as it gave the opportunity to female students to have access to education. Moreover, the construction of permanent schools has reduced the use of natural resource usually used by to fix old schools, which were often in bad

conditions and needed many efforts in terms of renovation before the beginning of each academic year. PRF information dissemination to community members also helped them to better understand the importance of education for their children’s future, which can be linked to an increased eagerness to support the education of their children. Within the 14 villages, PRF support enables 2,524 people (including 42% girls) to go to school.

Picture 1: Temporary schools prior to PRF support



Picture 2: School supported by PRF



5. FINANCIAL AND ADMINISTRATIVE REPORT

5.1. Staffing situation

During the reporting period (July-September 2008), PRF has assessed the ability and capability of the current staff. As PRF will withdraw at the end of September 2008 from 7 districts, it was necessary to decide which staff contracts should be extended. The assessment allowed PRF to decide not to extend the contracts of 10 persons because of unsatisfactory performances. Others, who were aware of the government decision to withdraw from their district have decided to resign rather than apply for a position in a different district.

Table 10: Staff leaving their positions in districts where activities are discontinued

Provinces	Positions	Position Based
Huaphan	CD Officer	Add District
	CD Officer	Sobbao District
Xiengkhuang	Technical Advisor	Kham District
Champasack	District Coordinator	Khong District
	Technical Advisor	Khong District
	District Coordinator	Pathoumphone District
	District Coordinator	Mounlapamok District
	Technical Advisor	Mounlapamok District
Saravanh	CD Officer	Toumlan District
	Technical Advisor	Toumlan District

Other staff based in these districts and who performed well were recruited in other districts through a transparent application process. Some staffs who decided to apply for positions with higher level of responsibility were granted promotions. For example, Kham district (Xiengkhouang) community development officer was promoted to work at the provincial level.

Table 11: Staff recruited to work in a different district

Provinces	Position	New location / position	Original location
Xiengkhuang	District Coordinator	Khoun District	Kham District
	CD Officer	Provincial CD Officer	Kham District
	Technical Advisor	Thathome District	Kham District
Champasak	CD Officer	Bachieng District	Pathoumphone District
	Technical Advisor	Bachieng District	Pathoumphone District
	CD Officer	Sukuma District	Khong District
Saravan	District Coordinator	Ta-ey District	Toumlan District

In general, the staff movement ratio has increased by 5.5% during the third quarter (increasing from 1% to 6.5% at the end of September 2008). Reasons for leaving PRF include retirement, poor performance and, in some instance, a lack of transparency in their work.

The number of new staff recruitment has also significantly increased (19%) in line with the creation of new positions agreed upon during the preparation of PRF three-year extension.

Table 12: PRF staff turnover during the third quarter of 2008

Positions		Gender	Reason for leaving	Replaced	%
National		Unchanged			
National office Total staff : 30					
Huaphan	Provincial CD	Male	Contract Terminated	No	2.85%
	Provincial CD Asst.	Female	Contract Terminated	Yes	2.85%
	TA (Viengxay)	Male	Mutual Agreement	Yes	2.85%
Houaphan office Total staff: 35					
Xiengkhoung	Provincial CD	Male	Mutual Agreement	Yes	4.54%
	District Coordinator	Male	Contract Terminated	Yes	4.54%
Xiengkhoung office Total staff :22					
Luang Namtha	Provincial M&E	Male	Mutual Agreement	Yes	4.76%
	District CD	Female	Mutual Agreement	Yes	4.76%
Luang Namtha office Total staff: 21					
Savannakhet	Driver	Male	Mutual Agreement	Yes	3.70%
	Provincial M&E	Male	Mutual Agreement	Yes	3.70%
Savannakhet office Total staff: 27					
Champasack	Provincial Coordinator	Female	Mutual Agreement	Yes	6%
Champasak office Total staff : 16					
Saravan office	Provincial Coordinator	Male	Contract Terminated	Yes	6%
Saravanh office Total staff : 16					
Grand Total:		167 Staff			
Average of Percent of change:		= 6.5%			

DCD: District Community Development; DTA: District Technical Advisor; TA: Technical Advisor

At the end of September 2008, almost all positions have been filled and PRF teams are ready to start implementing the new cycle. However, two positions are still vacant: Deputy Executive Director and Human Resource Development Officer. Although a candidate has already been selected for the Deputy Executive Director position, PRF is waiting the official approval by the government, as the selected candidate is currently working for the Ministry of Agriculture and Forestry. A candidate was also selected for the position of Human Resources Development Officer but this person was not able to resign from the current work due to the commitment with their current employer. However, actions have been taken to ensure that these positions are filled as soon as possible.

5.2. Procurement

The procurement plan for the period January-September 2008 including the printing of posters has almost been achieved and goods have been delivered to the PRF central office as well as to the project sites in different provinces. All the procurements were carried out in line with the original plan and following the procurement manual without any significant problems during implementation. However, the procurement of Civil Works for PRF's office repairs and for renovation of the provincial and district offices has been delayed due to the office allocation in some provinces. Budgets have been submitted to the National Office. They have been finalized and submitted for approval to the different units. The Provincial Procurement Officers will then proceed with the procurement procedure. It is to be completed by mid-November 2008.

A request for the procurement of ten additional sets of personal computers and of one A3 printer for the new staff recruited at the National Office was submitted and approved by the World Bank. Invitations for quotation were sent to eligible suppliers and the bid opening took place on September 24, 2008. Equipments' delivery is expected for October 2008.

Lao translations of the Procurement Manual, of the Standard Bidding Documents and of Standard Requests for Quotation have been completed and have been provided to the Provincial Procurement Officers for their reference.

5.3. Financial report

5.3.1. IDA Funding and Expenditures

From 01/07/2008 to 30/09/2008, the PRF received funds from IDA covering Replenishment Applications No. 0045 to 0046, for an amount of 299,944.39 USD.

Table 13: IDA+GOL credit funding and expenditures

	01/07/2008 to 30/09/2008	From beginning to 30/06/08
Credits to PRF A/C	299,944.39	23,144,072.26
Expenditure	636,995.37	22,402,505.67
Advance	-	35,818.08

5.3.2. PRF budget monitoring

From July to September 2008, the PRF office in Vientiane transferred to provinces, then to khet accounts, part of the budget allocated for sub-grant in Cycle V.

The amounts transferred to provinces for sub-grants are less than last quarter because most subprojects were completed and paid for. Besides, PRF is now preparing cycle VI and operating cost have increased compared to last quarter due to the organization of meetings such as priority meetings at village, koumban and district in 5 provinces.

Table 14: Budget transferred for sub-project implementation (IDA+GOL)

	<i>USD</i>	01/07/2008 to 30/09/2008	From beginning to 30/09/2008
1	Savannakhet	43,754.12	4,030,110.28
2	Huaphanh	1,207.33	6,937,418.10
3	Champassack	15,836.12	1,946,300.64
4	Xiengkhouang	46,607.03	2,302,154.90
5	Saravanh	66,084.64	1,502,317.11
6	Luangnamtha	983.35	983.35
Total		174,472.59	16,719,284.38

Table 15: expenditures by categories (IDA budget)

	Category (USD)	01/07/2008 to 30/09/2008	From beginning to 30/09/2008
1	Sub-grant	174,472.59	16,701,660.43
2	<i>Consultant's Service</i>	<i>172,555.15</i>	<i>3,087,589.78</i>
3	<i>Goods</i>	<i>52,505.40</i>	<i>493,827.49</i>
4	<i>Work</i>	<i>162.93</i>	<i>59,955.73</i>
5	<i>Incremental Operation Costs</i>	<i>232,945.32</i>	<i>1,629,624.32</i>
6	<i>Training</i>	<i>4,160.26</i>	<i>241,816.83</i>
7	Total Operating Costs	462,329.06	5,512,814.15
	Total	636,801.65	22,214,474.58

Table 16: expenditures by categories (IDA+GoL budget)

	Category (USD)	01/07/2008 to 30/09/2008	From beginning to 30/09/2008
1	Sub-grant	174,472.59	16,716,284.38
2	<i>Consultant's Service</i>	<i>172,555.15</i>	<i>3,217,312.01</i>
3	<i>Goods</i>	<i>52,505.40</i>	<i>496,958.68</i>
4	<i>Work</i>	<i>162.93</i>	<i>66,517.70</i>
5	<i>Incremental Operation Costs</i>	<i>232,945.32</i>	<i>1,657,716.07</i>
6	<i>Training</i>	<i>4,160.26</i>	<i>244,716.83</i>
7	Total Operating Costs	462,329.06	5,683,221.29
	Total	636,801.65	22,402,505.67

7. WORK PLAN FOR THE LAST QUARTER OF 2008

7.1. General

- Implementation of Cycle VI (Finalization of the design and survey, organization of the District Decision Meetings, Training of the Koumban Teams and beginning of subprojects' implementation);
- Completion of Cycle V;
- Facilitate a study tour of government officials in Indonesia;
- Final translation of the Manual of operations in Lao;
- National Administrative Board in December 2008.

7.2. Community Development Unit

- Support the preparation of subprojects' proposals for cycle VI Training Subprojects;
- Conduct the KB Confirmation Meeting in all 195 Koumbans;
- Organize the training for KB's Feedback & conflict resolution committees;
- Conduct the District Final Decision Meetings in all 19 districts;
- Conduct KB Information Meeting in 195 Koumbans;
- Finalize a first draft of PRF IEC Strategy;
- Continue to disseminate general information on poverty reduction and PRF activities to the general public and to target groups;
- Develop a work plan for the new "local institution capacity building" component;
- Convert koumban information boards into koumban information halls;
- Train CD staffs from both the provincial and the district level on how to produce and disseminate news for public information purpose.

7.3. Engineering Unit

- Follow up on the implementation of subprojects' construction in five provinces (cycle V);
- Survey and design for cycle VI subprojects in six provinces;
- Train PRF technical staffs and district offices staff on the use of software design;
- Participate in the district decision meetings;
- Prepare technical training guidelines for koumban teams;
- Prepare guidelines for environmental assessments.

7.4. Monitoring and Evaluation

- Continue to provide support to the M&E provincial staff for data entry (Village profiles, outcomes of the District Prioritization Meetings, outcomes of the District Decision Meetings and subprojects' proposals)
- Coordinate with the consultant company to finalize the MIS improvement;
- Organize training on the use of the Finance and Administration databases as well as on the new Human Resources database;
- Design a new reporting template for PRF quarterly reports to donors based on the program development objectives for the next three year (2008-2011);
- Analyze the number of subprojects requested during the District Prioritization Meeting by poverty grading;
- Prepare the third quarterly report to be submitted to the donors;
- Improve PRF website.

7.5. Finance and Administration

Finance and Administration

- Conduct internal audits in five provinces;
- Organize training for accountants and provincial coordinators in six provinces on the new chart of accounts and on how to manage SDC funds (separated bank accounts);
- Conduct training for the provincial procurement officers;
- Launch the office renovations at National, Provincial and District level;
- Assessment of the performance of all staff at all level;
- Prepare and revise the new staff contract for the year 2009;
- Monitor data entry on the new Human Resources Database (MIS).

Procurement

National Office

- Prepare procurement and distribution plans based on Appendix V "Procurement Arrangements"
- Prepare the Bidding Documents and Request for Quotation and submit to the donors for comment and approval.
- Conduct the procurement of vehicles (minibus, pick-up trucks and motorcycles) and of other equipments including computers, printers, scanners, photocopiers, fax machines, phones, calculators, projectors, cameras, video cameras, television, DVD players, megaphones, air conditioners, etc.
- Conduct the final training of the provincial Procurement Officers and finalize the materials to be used in training of the different Koumban Procurement Teams after the District Decision Meeting;
- Conduct the bid opening for the procurement of additional equipment (computers and printers) for the National Office; and

- Follow-up the procurement of medical equipments, textbooks, teacher guides, educational equipments and sport equipments for a subproject in Samoy (Saravan).

Provincial Office:

All the procurement work at the provincial and district levels up to a maximum of US\$ 1,000 per contract will be managed by the provincial Procurement Officer:

- Air conditioners;
- Office repair and renovation at provincial and district levels;
- Furniture and small office equipment.

Subprojects

- Prepare the subproject procurement plan and submit to the donors for their information and records;
- Prepare the bidding documents and request for the quotations for the first subproject to be implemented in cycle VI and submit them to the donors for their prior review and comments as mentioned in the Subproject Procurement Plan of cycle VI; and
- Conduct the Bid Opening for all subprojects following the guidelines of the Procurement Manual.

Annex 1

Completion and disbursement of Cycle V

Type (and target numbers) of sub-projects/activities	Number of subprojects		Progress				% of work progress and average work done	PRF Total planned expenditure	PRF Fund transferred to date from VTE-Province account (KIP)	As %	PRF Fund transferred to date from Province to Koumban account (KIP)	As %
	Plan	Actual	0%	<50%	>50%	100%						
HUAPHANH												
Sobbao: 68 villages												
Primary School Construction	1	1	-	-	-	1	100%					
Lower Secondary School Construction	1	1	-	-	-	1	100%					
Rural Road Upgrading	1	1	-	-	-	1	100%					
Suspension Bridge Construction	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total	5	5	0	0	0	5	100%	864,241,052	864,241,052	100%	864,241,052	100%
Add: 78 villages												
Learning-Teaching Materials	1	1	-	-	-	1	100%					
Rural Road Upgrading	4	4	-	-	-	4	4 sprs=100%					
Spring Gravity Fed System	2	2	-	-	-	2	2 sprs=100%					
Latrine	1	1	-	-	-	1	100%					
Continuing Irrigation Channel Renovation	1	1	-	-	-	1	100%					
Irrigation System Construction	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total:	11	11	0	0	0	11	100%	860,064,445	860,064,446	100%	860,064,446	100%
Xiengkhor: 59 villages												
Main Electrical Line Access	3	3	-	-	-	3	3sprs=100%					
Over Flooded Bridge Construction	1	1	-	-	-	1	100%					
Culvert	1	1	-	-	-	1	100%					
Rural Road Upgrading	1	1	-	-	-	1	100%					
Continuing Rural Road Upgrading	2	2	-	-	-	2	2sprs=100%					
Spring Gravity Fed System	6	6	-	-	-	6	6sprs=100%					
Irrigation Channel Construction	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total:	16	16	0	0	0	16	100%	1,238,421,844	1,238,421,846	100%	1,238,421,846	100%
Viengxay: 116 villages												
Upper Secondary School Construction	1	1	-	-	-	1	100%					
Rural Road Upgrading	5	5	-	-	-	5	5sprs=100%					
Continuing Rural Road Upgrading	2	2	-	-	-	2	2sprs=100%					
Spring Gravity Fed System	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	11	11	0	0	0	11	100%	1,487,279,566	1,487,289,566	100%	1,487,289,566	100%

Type (and target numbers) of sub-projects/activities	Number of subprojects		Progress				% of work progress and average work done	PRF Total planned expenditure	PRF Fund transferred to date from VTE-Province account (KIP)	As %	PRF Fund transferred to date from Province to Koumban account (KIP)	As %
	Plan	Actual	0%	<50%	>50%	100%						
Huameaung: 78 villages												
Lower Secondary School Construction	1	1	-	-	-	1	100%					
Primary School Construction	1	1	-	-	-	1	100%					
Teacher Stipend	1	1	-	-	-	1	100%					
Rural Road Upgrading	5	5	-	-	-	5	5sprs =100%					
Continuing Rural Road Upgrading	1	1	-	-	-	1	100%					
Spring Gravity Fed System	2	2	-	-	-	2	2sprs =100%					
Agriculture and Handicraft Market	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	14	14	0	0	0	14	100%	1,925,092,842	1,925,093,846	100%	1,925,093,846	100%
Xamtay: 168 villages												
Primary School Construction	4	4	-	-	-	4	4sprs=100%					
Teacher Stipend	1	1	-	-	-	1	100%					
Rural Road Upgrading	12	12	-	-	-	12	12sprs=100%					
Spring Gravity Fed System	13	13	-	-	-	13	13sprs=100%					
Clean Water System Upgrading	5	5	-	-	-	5	5sprs=100%					
Natural Resource and Environment Protection	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Compacity Enhancement for Local Authority	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	39	39	0	0	0	39	100%	4,464,610,768	4,460,557,543	100%	4,460,557,543	100%
Vienthong71 Villages:												
Lower Secondary School Construction	1	1	-	-	-	1	100%					
Suspension Bridge Construction	1	1	-	-	-	1	100%					
Rural Road Upgrading	4	4	-	-	-	4	4sprs=100%					
Spring Gravity Fed System	6	6	-	-	-	6	6sprs=100%					
Latrine	1	1	-	-	-	1	100%					
Clean Water System Upgrading	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	16	16	0	0	0	16	100%	2,393,182,530	2,393,182,535	100%	2,393,182,535	100%
Total HUAPHANH:	112	112	-	-	-	112	100%	13,232,893,047	13,228,850,834	100%	13,228,850,834	100%

Type (and target numbers) of sub-projects/activities	Number of subprojects		Progress				% of work progress and average work done	PRF Total planned expenditure	PRF Fund transferred to date from VTE-Province account (KIP)	As %	PRF Fund transferred to date from Province to Koumban account (KIP)	As %
	Plan	Actual	0%	<50%	>50%	100%						
XIENGGKHUANG												
Nonghet: 109 villages												
Primary School Construction	3	3	-	-	-	3	3sprs=100%					
Teacher Stipend	3	3	-	-	-	3	3sprs=100%					
Public Hall Construction	1	1	-	-	-	1	100%					
Rural Road Upgrading	3	3	-	-	-	3	3sprs=100%					
Dispensary Construction	1	1	-	-	-	1	100%					
Village Medicine Box	2	2	-	-	-	2	2sprs=100%					
Medical Equipment	1	1	-	-	-	1	100%					
Spring Gravity Fed System	1	1	-	-	-	1	100%					
Latrine	1	1	-	-	-	1	100%					
Water Tank Construction	1	1	-	-	-	1	100%					
Rice Bank Store	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	20	20	0	0	0	20	100%	2,308,210,020	2,292,457,691	99%	2,292,457,691	99%
Khoun: 89 villages												
Lower Secondary School Construction	1	1	-	-	-	1	100%					
Primary School Construction	2	2	-	-	-	2	2sprs=100%					
Uper Secondary School Construction	1	1	-	-	-	1	100%					
Spring Gravity Fed System	3	3	-	-	-	3	3sprs=100%					
Agriculture and Handicraft Market	2	2	-	-	-	2	2sprs=100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	11	11	0	0	0	11	100%	1,860,540,429	1,860,548,996	100%	1,860,548,996	100%
Kham: 118 villages												
Lower Secondary School Construction	2	2	-	-	-	2	2sprs=100%					
Rural Road Upgrading	1	1	-	-	-	1	100%					
Spring Gravity Fed System	4	4	-	-	-	4	4sprs=100%					
Natural Resource and Enviroment Protection	1	1	-	-	-	1	100%					
Compacity Enchancement for Local Authority	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total:	10	10	0	0	0	10	100%	1,565,902,695	1,565,902,697	100%	1,565,902,697	100%
Total Xiengkhuang	41	41	-	-	-	41	100%	5,734,653,144	5,718,909,384	100%	5,718,909,384	100%

Type (and target numbers) of sub-projects/activities	Number of subprojects		Progress				% of work progress and average work done	PRF Total planned expenditure	PRF Fund transferred to date from VTE-Province account (KIP)	As %	PRF Fund transferred to date from Province to Koumban account (KIP)	As %
	Plan	Actual	0%	<50%	>50%	100%						
SAVANNAKHET												
Sepone: 110 villages												
Primary School Construction	3	3	-	-	-	3	3sprs=100%					
Primary School Renovation	2	2	-	-	-	2	2sprs=100%					
Leaning-Teaching Materials	1	1	-	-	-	1	100%					
Continue rural road upgrade	2	2	-	-	-	2	2sprs=100%					
Main Electrical Line Access	2	2	-	-	-	2	2sprs=100%					
Dispensary Construction	1	1	-	-	-	1	100%					
Spring Gravity Fed System	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	1	-	75%					
Total	14	14	0	0	1	13	93%	2,004,500,000	1,872,370,086	93%	1,872,369,673	93%
Nong: 79 villages												
Primary School Construction	4	4	-	-	-	4	4sprs=100%					
Culvert	1	1	-	-	-	1	100%					
Over Flooded Bridge Construction	1	1	-	-	-	1	100%					
Main Electrical Line Access	1	1	-	-	-	1	100%					
Dispensary Construction	1	1	-	-	-	1	100%					
Nursery	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	1	-	75%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total	11	11	0	0	1	10	91%	1,577,000,000	1,436,308,980	91%	1,436,308,433	91%
Vilabury: 89 villages												
Primary School Construction	8	8	-	-	-	8	8sprs=100%					
Teacher Stippend	1	1	-	-	-	1	100%					
Rural Road Upgrading	1	1	-	-	-	1	100%					
Over Flooded Bridge Construction	1	1	-	-	-	1	100%					
Dispensary Construction	3	3	-	-	-	3	3sprs=100%					
Wier	1	1	-	-	-	1	100%					
Natural Resource and Enviroment Protection	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	1	-	75%					
Total:	18	18	0	0	1	17	94%	2,004,500,000	1,982,722,471	99%	1,805,612,339	90%
Phin: 115 villages												
Primary School Construction	5	5	-	-	-	5	5sprs=100%					
Teacher Stippend	1	1	-	-	-	1	100%					
Rural Road Upgrading	7	7	-	-	-	7	7sprs=100%					
Main Electrical Line Access	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	1	-	75%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total:	16	16	0	0	1	15	94%	2,242,000,000	2,242,014,995	100%	2,242,000,000	100%
Total SAVANNAKHET:	59	59	-	-	4	55	93%	7,828,000,000	7,533,416,532	96%	7,356,290,445	94%

Type (and target numbers) of sub-projects/activities	Number of subprojects		Progress				% of work progress and average work done	PRF Total planned expenditure	PRF Fund transferred to date from VTE-Province account (KIP)	As %	PRF Fund transferred to date from Province to Koumban account (KIP)	As %
	Plan	Actual	0%	<50%	>50%	100%						
SARAVANH												
Samoi: 57 villages												
Primary School Construction	3	3	-	-	-	3	3sprs=100%					
Furniture	1	1	-	-	-	1	100%					
Leaning-Teaching Materials	1	1	-	-	-	1	100%					
Continuing Rural Road Upgrading	1	1	-	-	-	1	100%					
Culvert	1	1	-	-	1	-	65%					
Main Electrical Line Access	1	1	-	-	1	-	50%					
Medical Equipments	1	1	-	-	-	1	100%					
Natural Resource and Environment Protection	1	1	-	-	-	1	100%					
Compacity Enhancement for Local Authority	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	13	13	0	0	2	11	85%	1,686,189,477	1,335,092,156	79%	1,335,629,504	79%
Toumlan: 66 villages												
Primary School Construction	1	1	-	-	-	1	100%					
Leaning-Teaching Materials	1	1	-	-	-	1	100%					
Furniture	2	2	-	-	-	2	2sprs=100%					
Rural Road Upgrading	3	3	-	-	-	3	3sprs=100%					
Solar System	3	3	-	-	-	3	3sprs=100%					
Concrete Steel Wood Bridge Construction	1	1	-	-	-	1	100%					
Community Water Supply Construction	1	1	-	-	-	1	100%					
Latrine	1	1	-	-	-	1	100%					
Medical Equipments	2	2	-	-	-	2	2sprs=100%					
Drill well	5	5	-	-	-	5	5sprs=100%					
Compacity Enhancement for Local Authority	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total:	22	22	0	0	0	22	100%	1,719,429,605	1,501,965,960	87%	1,501,964,865	87%
Ta oev: 56 villages												
Primary School Construction	2	2	-	-	-	2	2sprs=100%					
Furniture	2	2	-	-	-	2	2sprs=100%					
Leaning-Teaching Materials	3	3	-	-	-	3	3sprs=100%					
Concrete Steel Wooden Bridge Construction	1	1	-	-	1	-	80%					
Bridge Maintenance	1	1	-	-	1	-	85%					
Continuing Rural Road Upgrading	1	1	-	-	1	-	85%					
Main Electrical Line Access	1	1	-	-	1	-	80%					
Spring Gravity Fed System	1	1	-	-	-	1	100%					
Irrigation Sytem Construction	1	1	-	-	-	1	100%					
Compacity Enhancement for Local Authority	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Agriculture an Handicraft Market	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	17	17	0	0	4	13	76%	2,050,532,005	1,515,567,398	74%	1,515,529,744	74%
Total Saravanh:	52	52	-	-	6	46	88%	5,456,151,087	4,352,625,514	80%	4,353,124,113	80%

Type (and target numbers) of sub-projects/activities	Number of subprojects		Progress				% of work progress and average work done	PRF Total planned expenditure	PRF Fund transferred to date from VTE-Province account (KIP)	As %	PRF Fund transferred to date from Province to Koumban account (KIP)	As %
	Plan	Actual	0%	<50%	>50%	100%						
CHAMPASACK												
Mounlapamok: 67 villages												
Lower Secondary School Construction	1	1	-	-	-	1	100%					
Primary School Construction	2	2	-	-	-	2	2sprs=100%					
Animal vaccine	1	1	-	-	-	1	100%					
Concrete Steel Wooden Bridge Construction	1	1	-	-	-	1	100%					
Drilled well	2	2	-	-	-	2	2sprs=100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total:	8	8	0	0	0	8	100%	649,406,850	627,260,760	97%	627,260,760	97%
Khong: 133 villages												
Primary School Construction	4	4	-	-	-	4	4sprs=100%					
Primary School Renovation	1	1	-	-	-	1	100%					
Continuing Primary School Construction	1	1	-	-	-	1	95%					
Concrete Steel Wooden Bridge Construction	3	3	-	-	-	3	3sprs=100%					
Village Medicine Box	2	2	-	-	-	2	2sprs=100%					
Drilled Well	2	2	-	-	-	2	2sprs=100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Natural Resource and Environment Protection	1	1	-	-	-	1	100%					
Total:	15	15	0	0	1	14	93%	822,093,136	811,816,029	99%	811,816,029	99%
Sukuma: 61 villages												
Primary School Construction	3	3	-	-	-	3	3sprs=100%					
Continuing Primary School Construction	1	1	-	-	-	1	100%					
Lower Secondary School Construction	1	1	-	-	-	1	100%					
Learning-Teaching Materials	1	1	-	-	-	1	100%					
Dispensary Construction	1	1	-	-	-	1	100%					
Wier	2	2	1	-	-	1	100%					
Compacity Enhancement for Local Authority	1	1	-	-	-	1	100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Animal Raising Fund	1	1	-	-	-	1	100%					
Total:	12	12	1	0	0	11	92%	880,239,844	857,904,854	97%	857,904,854	97%
Pathoumphone: 93 villages												
Primary School Construction	1	1	-	-	-	1	100%					
Continuing Primary School Construction	2	2	-	-	-	2	2sprs=100%					
Learning-Teaching Materials	2	2	-	-	-	2	2sprs=100%					
Rural Road Upgrading	2	2	-	-	-	2	2sprs=100%					
Community Capacity Building	1	1	-	-	-	1	100%					
Total:	8	8	0	0	0	8	100%	671,347,570	671,347,567	100%	671,347,567	100%
Total CHAMPASACK:	43	43	1	-	1	41	95%	3,023,087,400	2,968,329,210	98%	2,968,329,210	98%
Grand Total:	307	307	1	0	11	295	96%	35,274,784,678	33,802,131,474	96%	33,625,503,986	95%

Total sub-projects competed:	295	96%
Total sub-projects > 50%	11	4%
Total sub-projects < 50%	1	0%
Grand Total:	307	100%

Annex 2
Subproject progress by sector and district for Cycle V (30/09/2008)

Districts/Provinces	0%	<50%	>50%	100%	% compet ion	Total	Total PRF budget	Transfer to provinces account	% budget	Transfer to Koumban account	% budget
Sobbao	0	0	0	5	100%	5	864,241,052	864,241,052	100%	864,241,052	100%
Add	0	0	0	11	100%	11	860,064,445	860,064,446	100%	860,064,446	100%
Xiengkhor	0	0	0	16	100%	16	1,238,421,844	1,238,421,846	100%	1,238,421,846	100%
Viengxay	0	0	0	11	100%	11	1,487,279,566	1,487,289,566	100%	1,487,289,566	100%
Huameuang	0	0	0	14	100%	14	1,925,092,842	1,925,093,846	100%	1,925,093,846	100%
Xamtay	0	0	0	39	100%	39	4,464,610,768	4,460,557,543	100%	4,460,557,543	100%
Viengthong	0	0	0	16	100%	16	2,393,182,530	2,393,182,535	100%	2,393,182,535	100%
Huaphanh	0	0	0	112	100%	112	13,232,893,047	13,228,850,834	100%	13,228,850,834	100%
Nonghet	0	0	0	20	100%	20	2,308,210,020	2,292,457,691	99%	2,292,457,691	99%
Khoun	0	0	0	11	100%	11	1,860,540,429	1,860,548,996	100%	1,860,548,996	100%
Kham	0	0	0	10	100%	10	1,565,902,695	1,565,902,697	100%	1,565,902,697	100%
Xiengkhuang	0	0	0	41	100%	41	5,734,653,144	5,718,909,384	100%	5,718,909,384	100%
Toumlan	0	0	0	22	100%	22	1,719,429,605	1,501,965,960	87%	1,501,964,865	87%
Taey	0	0	4	13	76%	17	2,050,532,005	1,515,567,398	74%	1,515,529,744	74%
Samoi	0	0	2	11	85%	13	1,686,189,477	1,335,092,156	79%	1,335,629,504	79%
Saravanh	0	0	6	46	88%	52	5,456,151,087	4,352,625,514	80%	4,353,124,113	80%
Sepon	0	0	1	13	93%	14	2,004,500,000	1,872,370,086	93%	1,872,369,673	93%
Nong	0	0	1	10	91%	11	1,577,000,000	1,436,308,980	91%	1,436,308,433	91%
Vilabury	0	0	1	17	94%	18	2,004,500,000	1,982,722,471	99%	1,805,612,339	90%
Phin	0	0	1	15	94%	16	2,242,000,000	2,242,014,995	100%	2,242,000,000	100%
Savannakhet	0	0	4	55	93%	59	7,828,000,000	7,533,416,532	96%	7,356,290,445	94%
Moon	0	0	0	8	100%	8	649,406,850	627,260,760	97%	627,260,760	97%
Khong	0	0	1	14	93%	15	822,093,136	811,816,029	99%	811,816,029	99%
Sukuma	1	0	0	11	92%	12	880,239,844	857,904,854	97%	857,904,854	97%
Pathoumphone	0	0	0	8	100%	8	671,347,570	671,347,567	100%	671,347,567	100%
Champasack	1	0	1	41	95%	43	3,023,087,400	2,968,329,210	98%	2,968,329,210	98%
Total	1	0	11	295	96%	307	35,274,784,678	33,802,131,474	96%	33,625,503,986	95%

Annex 3
Performance indicators for Cycle V

	Huaphanh							Total
	Sobbao	Add	Xiengkhor	Viengxay	Huameuang	Xamtay	Viengthong	
Household Composition:								
Population	9,650	11,185	17,021	19,606	19,239	54,213	22,317	153,231
Khets	3	6	7	13	9	22	13	73
Total Villages	29	37	43	68	67	170	65	479
Poor Villages	23	29	29	64	62	158	71	436
Villages Selected (implementing)	5	11	16	11	14	39	16	112
% of Villages Selected	17%	30%	37%	16%	21%	23%	25%	24%
Poor Villages Selected (implementing)	3	8	15	9	13	36	15	99
% of Selected Villages are Poor	60%	73%	94%	82%	93%	92%	94%	84%
Needs Assessment:								
Number of Adults	5,796	6,987	11,534	15,527	11,384	33,503	16,345	101,076
Adults Attending VNPA Meeting	4,347	4,775	7,692	10,005	8,826	25,066	13,524	74,235
% Total Adult Population Attending	75%	68%	67%	64%	78%	75%	83%	73%
Females Attending VNPA Meeting	2,039	2,151	3,546	4,741	4,181	10,957	6,062	33,677
% of Females Attending	47%	45%	46%	47%	47%	44%	45%	46%
Village Priorities (3)	87	111	111	254	188	491	210	1,452
Khet Priorities	19	28	43	50	47	138	80	405
Sub-projects selected at distric	4	17	19	14	17	44	23	138
Sub-projects implemented	5	11	16	11	14	39	16	112
Village Contribution (kip)	366,114,000	273,899,347	359,742,308	426,305,500	1,909,822,727	1,266,637,300	672,753,564	5,275,274,746
PRF Fund Contribution (kip)	864,241,051	860,064,445	1,238,421,844	1,487,279,566	1,925,092,842	4,464,610,768	2,393,182,530	13,232,893,046
Total Cost of Sub-Projects (kip)	1,230,355,051	1,133,963,792	1,598,164,152	1,913,585,066	3,834,915,569	5,731,248,068	3,065,936,094	18,508,167,792

	Xiengkhang				Savannakhet				
	Nonghet	Khoun	Kham	Total	Sepone	Nong	Vilabury	Phin	Total
Household Composition:									
Population	20,177	16,251	33,116	69,544	18,683	17,486	24,266	39,070	99,505
Khets	8	6	5	19	11	9	14	13	47
Total Villages	67	53	63	183	91	70	91	102	354
Poor Villages	64	46	38	148	43	62	43	72	220
Villages Selected (implementing)	23	25	21	69	35	15	21	35	106
% of Villages Selected	34%	47%	33%	38%	38%	21%	23%	34%	29%
Poor Villages Selected (implementing)	20	25	13	58	31	14	17	21	83
% of Selected Villages are Poor	87%	100%	62%	83%	89%	93%	81%	60%	81%
Needs Assessment:									
Number of Adults	20,268	14,333	23,510	58,111	14,319	16,245	18,726	23,551	72,841
Adults Attending VNPA Meeting	7,896	4,350	12,160	24,406	9,371	13,338	9,144	11,045	42,898
% Total Adult Population Attending	39%	30%	52%	42%	65%	82%	49%	47%	59%
Females Attending VNPA Meeting	3,801	1,942	5,427	7,369	4,085	5,908	3,955	4,464	18,412
% of Females Attending	48%	45%	45%	46%	44%	44%	43%	40%	43%
Village Priorities (3)	199	138	183	520	156	195	210	291	852
Khet Priorities	46	38	31	115	65	54	84	78	281
Sub-projects selected at distric	19	17	13	49	39	29	35	43	146
Sub-projects implemented	20	11	10	41	14	11	18	16	59
Village Contribution (kip)	548,273,670	250,246,000	280,312,000	1,078,831,670	454,305,732	156,409,950	233,961,660	296,532,600	1,141,209,942
PRF Fund Contribution (kip)	2,308,210,022	1,860,540,408	1,565,902,696	5,734,653,126	2,004,500,000	1,577,000,000	2,004,500,000	2,242,000,000	7,828,000,000
Total Cost of Sub-Projects (kip)	2,856,483,692	2,110,786,408	1,846,214,696	6,813,484,796	2,458,850,732	1,733,409,950	2,238,461,660	2,538,532,600	8,969,254,942

	Champasack					Saravan			
	Mounlapamok	Khong	Sukuma	Pathoumphone	Total	Samoy	Tomlan	Taoy	Total
Household Composition:									
Population	11,443	20,361	17,041	16,264	65,109	11,781	21,785	22,520	56,086
Khets	3	3	5	4	15	3	5	5	13
Total Villages	22	38	28	33	121	43	32	56	131
Poor Villages	11	14	14	14	53	42	31	55	128
Villages Selected (implementing)	37	52	37	35	161	12	19	17	48
% of Villages Selected	168%	137%	132%	106%	136%	28%	59%	30%	39%
Poor Villages Selected (implementing)	25	6	12	9	52	11	19	16	46
% of Selected Villages are Poor	68%	12%	32%	26%	34%	92%	100%	94%	95%
					-				-
Needs Assessment:					-				-
Number of Adults	4,719	13,066	14,030	10,752	42,567	2,918	5,130	5,932	13,980
Adults Attending VNPA Meeting	2,843	6,692	7,392	5,504	19,588	2,554	4,188	5,672	12,414
% Total Adult Population Attending	60%	51%	53%	51%	46%	88%	82%	96%	89%
Females Attending VNPA Meeting	1,441	2,985	3,192	2,522	10,140	1,288	1,617	2,366	5,271
% of Females Attending	51%	45%	43%	46%	46%	50%	39%	42%	44%
Village Priorities (3)	42	96	84	96	318	87	39	105	231
Khet Priorities	18	18	30	24	90	18	33	30	81
Sub-projects selected at distric	16	15	19	18	68	12	31	15	58
Sub-projects implemented	8	15	11	8	42	13	22	17	52
Village Contribution (kip)	25,136,550	71,239,015	173,487,850	121,575,600	391,439,015	212,220,235	215,384,520	275,364,045	702,968,800
PRF Fund Contribution (kip)	649,406,850	822,093,135	880,239,844	671,347,569	3,023,087,398	1,686,189,479	1,719,429,605	2,050,532,002	5,456,151,086
Total Cost of Sub-Projects (kip)	674,543,400	893,332,150	1,053,727,694	792,923,169	3,414,526,413	1,898,409,714	1,934,814,125	2,325,896,047	6,159,119,886

	Total of 5 Provinces
<i>Household Composition:</i>	
Population	443,475
Khets	167
Total Villages	1,268
Poor Villages	985
Villages Selected (implementing)	496
% of Villages Selected	53%
Poor Villages Selected (implementing)	338
% of Selected Villages are Poor	75%
	-
<i>Needs Assessment:</i>	-
Number of Adults	288,575
Adults Attending VNPA Meeting	173,541
% Total Adult Population Attending	60%
Females Attending VNPA Meeting	74,869
% of Females Attending	45%
Village Priorities (3)	3,373
Khet Priorities	972
Sub-projects selected at district	459
Sub-projects implemented	306
Village Contribution (kip)	8,589,724,173
PRF Fund Contribution (kip)	35,274,784,656
Total Cost of Sub-Projects (kip)	43,864,553,829

Annex 4

Status of Procurement Plan (January-September 2008)

Type of Proc.	Sr.	Contract No.	Descriptions	QTY	Proc. Method	Bank Review	Bid Opening Date	Estimated Costs (US\$)	Contract				Payment			Remarks	
									Contract Amount (USD)	Contractor	Contract Signed	Delivery Date	90%	10%	Return Bank Guarantee 10%		
GOODS	VEHICLES																
	1	Lot# 01	Pick Up 4x4 Disel Engine	2	Shopping	Prior	5-Mar-08	40,000	38,000	RM Asia (HK) Co. /Lao Ford City	6-Jun-08	7-Aug-08	21-Aug-08	12-Jun-09 Pending	Done		
	1	Lot# 02	Light Motobikes 100 CC	11	Shopping	Post	5-Mar-08	16,500	10,450	New Chip Xeng Co.	2-Jun-08	6-Jun-08	24-Jun-08	6-Jun-09 Pending	Done		
	EQUIPMENTS																
	1	Lot# 03	Desktop computer (including printer, UPS & software)	15	Shopping	Post	21-Apr-08	26,300	13,240	Jiro Computer	6-Jun-08	11/07/2008 (1 st deliv.) 18/07/2008 (2 nd deliv.)	Pending		-	Done	
	2	Laptop	1														
	3	Network Color Printer	1														
	4	Scanner	1														
	1	Lot# 04	Photocopir	1	Shopping	Post	21-Apr-08	8,490	6,448	Sahaphane OA	13-Jun-08	20-Jun-08 (1st Deliv.) 7/Jul/2008 (last Deliv.)	22-Jul-08	6-Jul-09 Pending	Done		
	2	Fax Machine	6														
	3	Wirless Desktop Phones	5														
	4	Phone Set	3														
	5	Desk Accounting Calculator (with printer)	6														
	6	Pocket Engineering Calculator	6														
	7	Lot# 05	Camera (Digital 8 MP)	6	Shopping	Post	24-Sep-08	14,000		Cancel						Cancel	
	8	Megaphones	5														
	9	Amplified Microphones	1														
	1	Lot# 6	Desktop computers (including, UPS & software)	10	Shopping	Post	24-Sep-08	14,000									on going
	2	Laser Printer B&W (A3)	1														
	1		Engineering Software: SAP2000 Plus	1	Direct	Post	-	6,000	3,820	Sybexinfo Computer (representative of Asian Institute of Technology (AIT))	18-Aug-08	22-Sep-08	2-Sep-08	Pending	Done		
	2		GEAR2003 Full Package	1													
	1	PRF/G/TA-Tools/01-08	Various Technical Tools for District Technical Advisor:		Shopping	Post	24-Jul-08	7,100	7,828	Asia Techno Solutions Co.; Ltd.	4-Aug-08	22-Sep-08	Pending		-	Done	
	2		Abney Level														
3		Compas															
4		Tape Measuring 50 m															
5		Tape Measuring 5 m															
6		Global Positioning System (GPS)															
7		Dynamic Cone Penetrometer (DCP) Concrete Testing Equipment															
1	-	Office Small Equipment for New Province Office		Shopping	Post	-	500	61	Procured by General Adm. Officer	6-Jun-08	6-Jun-08		-	Done			
1	-	Office Small Equipment for 5 New District Office		Shopping	Post	-	1,000							on going			
FURNITURES																	
1	-	Furniture set for New Province (LNT);		Shopping	Post	-	3,000	838	Procured by General Adm. Officer	5-Jun-08	5-Jun-08		-	Done			
2	-	Furniture set for 5 New Districts (only LNT);		Shopping	Post	-	7,500	904	Procured by General Adm. Officer	6-Jun-08				on going			
Total (1): Goods								130,390	81,588								
Works																	
1	-	Provincial Office Repair (2,000 each)	5	Shopping	Post	-	10,000								on going		
2	-	District Office Repair (10,000 each)	14	Shopping	Post	-	14,000								on going		
3	-	New Provincial Office Construction	1	Shopping	Post	-	10,000	499	Procured by General Adm. Officer	6-Jun-08	6-Jun-08		-	Done			
4	-	New District Office Construction	5	Shopping	Post	-	10,000										
Total (2): Works								44,000	499								
All Total (1+2)								174,390	82,087								
Balance (Goods):									48,802								
Balance (Works):									43,501								
Printing																	
1	PFR/G/Poster/08	Printing of Poster	3,000	Shopping	Post	24-Jul-08	24,000,000	LAK 9,000,000	PakPaSak KanPin	4-Aug-08	21-Aug-08	25-Aug-08	-	Done			
Total (LAK):								24,000,000	LAK 9,000,000								