

Community Driven Development Approach of Laos

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Abstract

Through the experience of the Poverty Reduction Fund Project (PRF), by applying the community driven development approach (CDD), this project encourages high community participation, especially, to support the poorest and poor communities to identify, plan, implement, supervise, monitor and maintain sub-projects. The most important process is during the subproject prioritized assessment in each village and Kum ban level (village group). In view of the fact that the needs of the community are beyond what PRF can provide due to budget limitation; therefore, only sub-projects identified as the top priority and able to provide proven benefits to the all communities are selected.

This report reviews and shares experience about the CDD work under implementation in Lao PDR, through the work of PRF, especially, to determine their effectiveness in channeling resources to communities for rural development and poverty reduction, and contributing to social economic development of Laos, especially, in remote and isolated areas where the poor, inclusive, and ethnic group have been living.

Since 2003-2019, the applying CDD of PRF could improve the living condition of the poor, because all supporting activities were decided by villagers and responded their needs, encouraged high number of women and ethnic group in decision making and right to share their knowledge to community development. Together with basic infrastructure improvement, PRF also supported the livelihood activity supporting as well as capacity building, and social and environmental safeguard protection to ensure that the poor and vulnerable villagers are protected and gained from the project's activities.

However, some challenges that remain for PRF to wholly successful. First one is about harmonizing of PRF's CDD approach within the country (for example, fund allocating and transferring to villages). CDD is not currently coordinated geographically, technically, or financially that one project could provide, it required supporting from different development partners, through coordinating and consolidating this approach.

The second challenge is empowerment of inclusive participatory to improve the well-being of poor villagers, not all concerned sectors recognize the benefits of a participatory approach, therefore, it suggested to provide training to those all concerned sectors to understand and aware with the work.

The last challenge is about sustainability, which is questioned by public about what the next step for PRF and which organization can continue the work after ending the PRF with donor budget. The exiting strategy is considered as an important aspect of PRF. Over 16 years of PRF, it indicates that there are 3 factors considered influencing the PRF's sustainability, including: 1) Institution arrangement, 2) Financial institution support, and 3) Technical dimensions. Therefore, it strongly requires to focus on the district and village where project implementation and investment take place, including fund allocation to community, technical support, capacity building for community and also local authority, and ensure that all people participate in development, especially, women and ethnicity.

Keywords

Poverty,
poor,
gender,
ethnic, and
sustainability.

1. Introduction

1.1. Background of PRF

Poverty is a persistent problem in the Lao PDR despite a seven percent annual economic growth over the past decade (2008-2017), making it one of the fastest growing economies in the region, and graduation to a “lower-middle income economy. The incidence of poverty is highest in the southeast and the central mountainous areas (along the border with Vietnam) as well as northern midlands and highlands.¹ Furthermore, there is an increasing gap in poverty levels between urban and rural areas: the poverty level is 10 percent in urban areas, while it is 28.6 percent in rural areas. In addition, the people of ethnic groups and women are particular vulnerable.

Despite these challenges, the Government of Lao PDR (GoL) aims at eradicating poverty by 2020. The National Growth and Poverty Eradication Strategy (NGPES) is serving as the comprehensive framework for doing so. All public and donor-funded programs are intended to be in line with this strategy. The NGPES emphasizes the promotion of sustainable growth, coupled with continuous social progress and equity. In this manner, the material conditions and quality of life of the **multi-ethnic population** will improve and basic poverty can be eradicated, particularly in poorest communities as defined by GoL.

The PRF was established by a Prime Ministerial Decree 073/PM in 2002, as an autonomous organization attached to the Government’s Office. PRF program is the GoL’s key initiative to reduce poverty and eradicate mass poverty by 2020 and directly contributed to the NGPES’s strategy. In the first phase or PRF I from 2003-2011, in light of the positive results achieved by PRF to date, the Government of Laos (GoL) had decided to continue the initiative by launching an expanded second phase (PRF II) beginning in mid-2011 and ending in December 2016 and continued the third phase (PRF III) from January 2017 to mid-2020, and an extended period starts from January 2020-June 2024.

The **mission of PRF** is to support and establish sustainable local capacity, procedures and systems that

are aligned with the Government of Lao PDR’s decentralization policy and poverty reduction targets.

1.2. PRF’s CDD Approach

In the beginning, applying the CDD approach to PRF was considered as a new and promising way of improvement welfare and service delivery in traditionally underserved rural communities, which aims to reduce poverty by empowering community to assess and prioritize their own needs through community participation and decentralized decision making. To reach its development goal, the PRF’s CDD supports local infrastructure and service, capacity building, livelihood activities, and social-environmental protection, together with supporting and coordinating with concerned sectors and development partners.

Furthermore, **the PRF also aimed to support the GoL** in its attempt to reach its national poverty reduction targets and the Millennium Development Goals (MDGs) by 2015, especially to address the poverty situation in remote areas where is the target work of PRF; it is considered to be an effective mechanism to tackle the issues related poverty, primary cross-enrolment, and children under-five were malnutrition, as PRF has the capacity to mobilize reasonable budget to remote and poor communities to improve local infrastructure and the quality of service delivery.

In addition, PRF’s CDD approach is considered to be an effective mechanism **to promote** the Government’s National Growth and Poverty Eradication Strategy (NGPES), through the poverty reduction objectives and supported the National Socio-Economic Development Plan of the GoL, particularly to graduate from the list of least developed countries by 2020, through the promotion of the poor in decision making about their future, **fostering decentralization** as a mean to ensure sustained participation of villagers (poor, women, and ethnic group); and encourage high participation of the poor through improved flows of information, communication, and education (IEC).

Through the implementation of PRF, CDD is considered to be a key aspect of project’s activities, it is a process in which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives. These activities are concluded in the project objectives and

principles of PRF; the capacity building through community participation is related with knowledge and sense of ownership, and also the supporting from development partners as well as concerned sectors of the GoL.

The **project's role** is to facilitate and support the poor communities to identify, plan, implement, supervise, monitor and maintain sub-projects. Particularly, this project provides advice and supports to communities in poor and remote areas on the planning and implementation of the priorities they have identified, and enhance the linkage between local authorities and communities in the rural development area.

1.3. PRF's CDD Objective

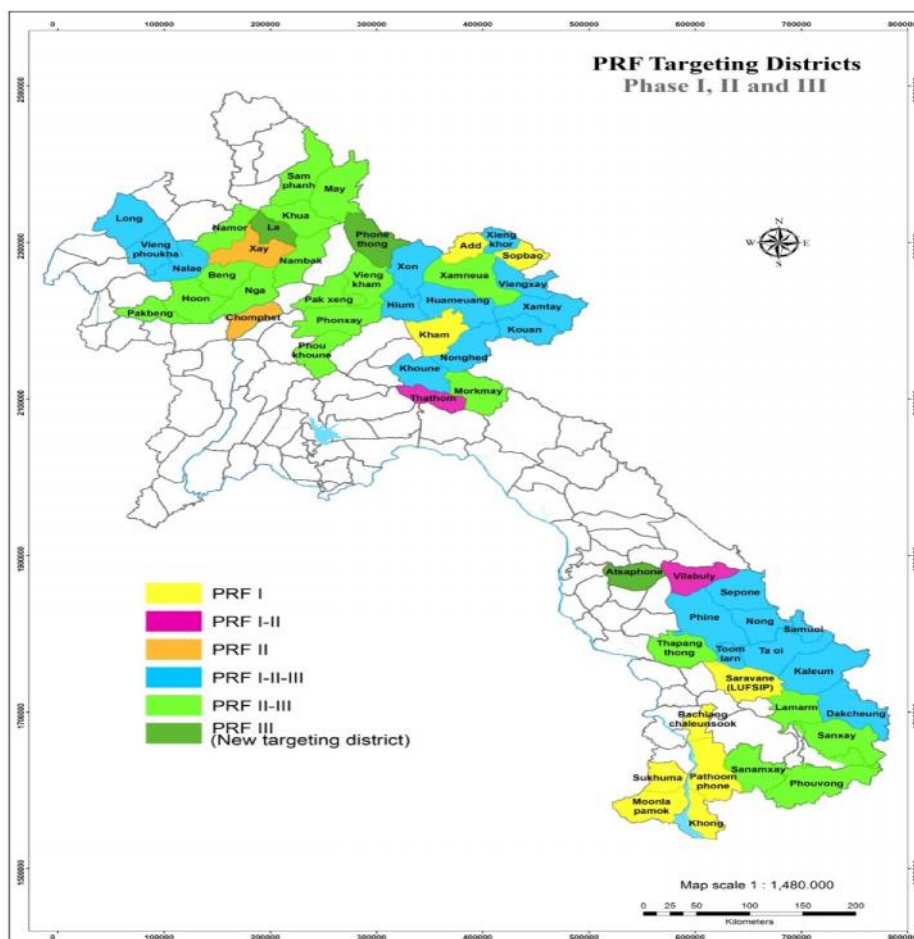
Under CDD approach, the objective of PRF is to improve the access to and the utilization of basic infrastructure and services for the project's targeted poor communities in remote target areas of Laos in a sustainable manner through the participation of inclusive community and local development processes.

Annex1: the map of PRF's coverage from 2003-2019

This objective will be achieved through inclusive community and local development processes with emphasis on ensuring sustainability. The Program aims to deliver resources in the form of technical assistance training and sub-project grants to poor villages and Kum bans, efficiently and effectively. It uses a CDD approach, whereby communities themselves decide on how resources are allocated, manage sub-project funds, and implement sub-projects. PRF staffs at the district, province and national levels help to coordinate and facilitate these linkages

1.4. Target areas

In 16 years period, PRF had been working in 12 provinces, 55 out of 148 districts (37.15%), where most of those districts located in 47 & 72 poorest and poor districts (Data of 2003). The coverage districts and provinces since 2003 to 2019 can be seen in annex 1 (the map).



To ensure the poor and poorest communities benefited from the activities of the project, PRF classified the target village into 4 categories, based on the six criteria both consumption and access to basic service.

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

Table 1: Criteria for assessing of village poverty status

Village name	Village criteria of PRF												Total	Poverty rate
	Sufficient food in a year		School access		Hospital/health service access		Safe and sufficient water		Road access all season		Electricity access			
	Yes=1	No=0	Yes=1	No=0	Yes=1	No=0	Yes=1	No=0	Yes=1	No=0	Yes=1	No=0		

Above table indicates that poverty status of village is definitely determined by a commutative scores (total scores) stipulated in the table. Therefore, poverty status of the target village of PRF is divided into 4 categories as follows:

- **Very poor** is defined when total of scores is between 0-2 scores.
- **Poor** is defined when total of scores is between 3-4scores.
- **Better off village** is defined when total of scores is between 5-6 scores.

- **Non-poor** villager is defined when total score is over 6 (in urban areas).

Target community development of PRF is aligned with project development objective, which aims to fight poverty at the grassroots level; therefore, the coverage areas is in remote and isolated location, it was designed to **improve access** to village infrastructure and services, and **empower villagers** to manage their own project planning and implementation. This is only the option to link the isolated location to the city region, in the purpose that we do not leave those people behind the development.

Table 2: Addressing poverty in different levels of intervention

No.	Categories	Indicators	Intervention	Target PRF
1	Non-poor	Secured income source and wealth	-Microcredit -Market/e-commerce	GOL/Private
2	Better off	Access to the basic services Some income earn with unsecured sources Seasonal production with NTF product collects	-Capacity building: Skills and techniques -Microcredit	Future PRF/Development partners
3	Poor	No regular income source. Heavily-> NTFP , Just for surviving, not sustained income.	- Grant for cash crop promotion - Infrastructure	PRFI,II,III
4	Poorest	Lack of factors and knowledge-know-how, lack of basic human needs, poor access to basic services, and very vulnerable.	- Welfare - Facilities/infrastructure - Special concerns	PRFI,II,III

1.5. Fund sources and allocation

From 2003 to 2019, with overall external and domestic financing of US\$187 million proximately, from

different sources, as co-funded by SDC, World Bank, Australian Government, Japan and Government of Laos, as detailed in table below:

Table 3: Fund sources of PRF

	Budget (US\$)	Percentage
IDA credit	60,940,000	32.59%
IDA grant	40,000,000	21.39%
AusAIDS	16,900,000	9.04%
SDC	42,526,000	22.74%
GOL	16,020,000	8.57%
JSDF	2,621,500	1.40%
LUFSIP	7,600,000	4.06%
GFDRR	410,000	0.22%
Total	187,017,500	100.00%

Source: FA Division of PRF

SDC: Swiss Agency for Development and Cooperation

GOL: The Government of Laos

JSDF: The Japan Social Development Fund

LUFSIP: Lao Uplands Food Security Improvement Project

GFDRR: Global Facility for Disaster Reduction and Recovery

Above mentioned budget had directly allocated to community 75% of total received budget, including community development sub-grant, livelihood and nutrition, community and local authority participation process; following with the community and local authority capacity building about 12% of total budget; and last 13% budget for project management including staff salary, equipment, and other service. Each year, the PRF had to submit the annual work plan to donors to consider and get approval before implementation.

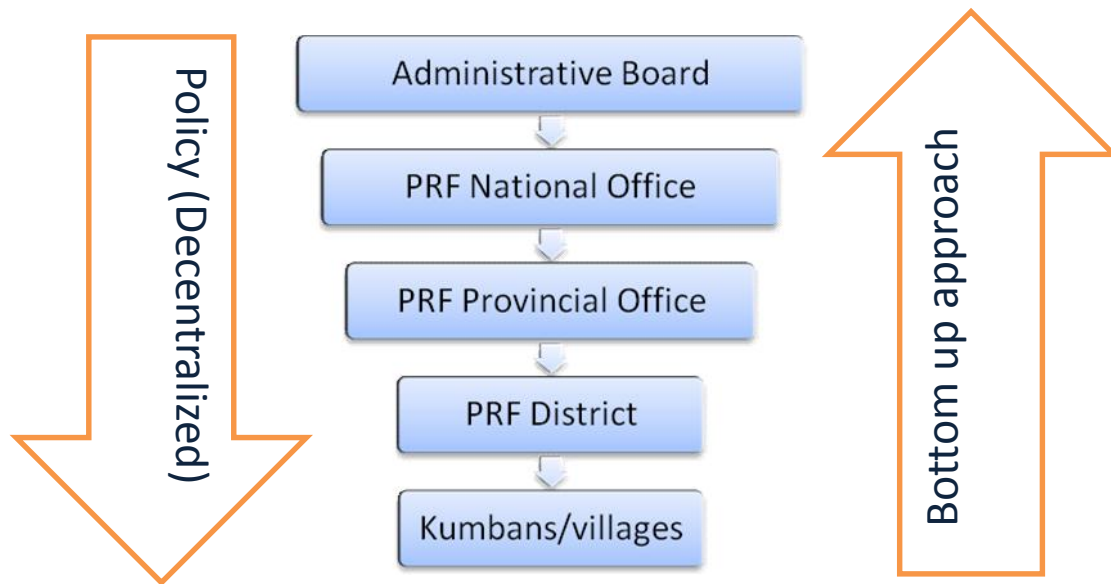
1.6. Organization structure

PRF is one of the Government's projects, which aims to support the rural development and poverty eradication in the country, this project operates based on decree and laws of the Lao PDR and under guidance of the PRF Administrative Board, consisting of representative from line ministries and vice provincial governor in targeted provinces. The key duty of PRF Board is related to policy consideration to

be agreed between the GoL and donors as well as development partners, and also consider and adapt the PRF policies, plans, annual, and five years implementation plan align with the policies and rural development and poverty eradication plan such as national socio-economic development plan, and guideline for the **decentralize policy to empower community** involve in project activities.

Where the PRF at national level will be responsible for preparing the work plan according to the available budget, and align with project agreement to be agreed between the GoL and donors, together with mobilizing the capacity building to provincial and district staff to acknowledge about the rule and regulation that mentioned in project document (project agreement, manual, PAD, Safeguards, etc). In brief, PRF staff is entitled and directly responsible to undertake and maintain working relations as well as coordination activities with concerned sectors.

Figure 1: Organization of PRF CDD



For the provincial, district and village levels, this CDD approach is considered to be key implementer of Sam Sang direction of the Government of Laos, in regarding with the formulation of Provinces as Strategic Units, Districts as Planning-Finance Units, Villages as Implementing Units” in relation to Instructions No. 9 of Politburo of the Central Party and Decree No.01/PM. Therefore, the work of PRF in these three levels had specified and detailed.

The PRF staff at **provincial level**: Overall responsibility of the project activities implemented at the provincial level as provincial strategic unit for PRF’s CDD approach. Prepare Provincial annual work plan and related budget based on district work plan and support district team about the work and also coordination with concerned sectors at provincial level.

PRF staff at **district level**: Overall responsibility of the project activities implemented at the district level as district integrated unit and they are key person to work with community in target villages and coordinate with concerned sectors at district level as to ensure effective and efficient delivered by villages.

At the **Kumban/village level**, where the village is considered to be the implementing unit, to deliver the development output. Under the CDD approach of PRF, villagers are key implementers of project and

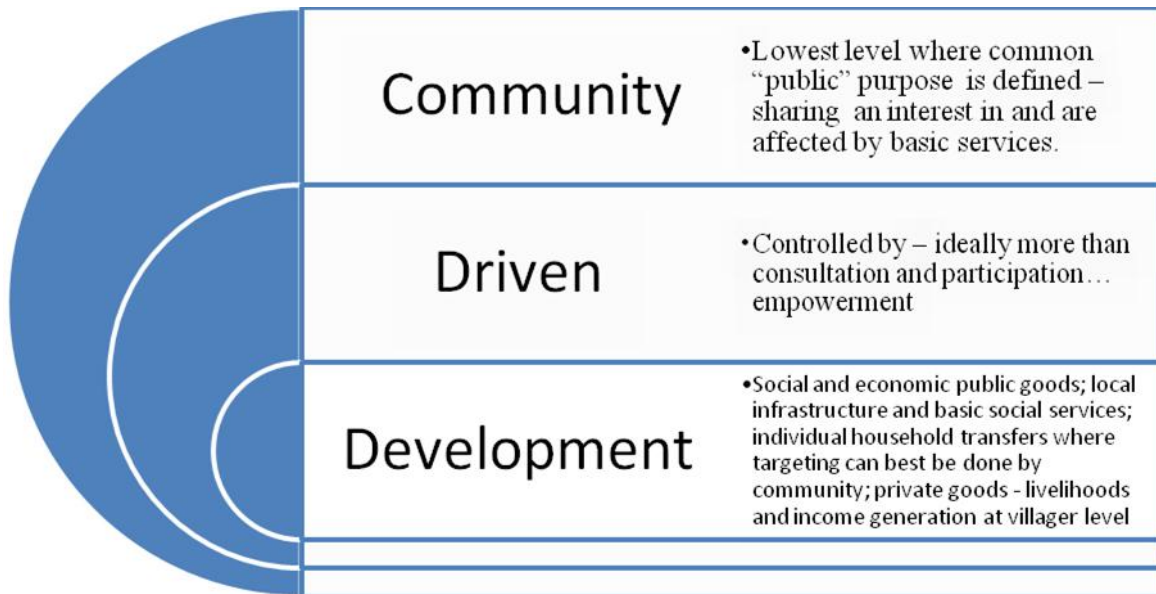
they are benefited from the project through living condition improvement and income earning. In each target community, the project set up community team to work with PRF and concerned sectors of GoL, including village implementation team (VIT) and Kumbans KBFs and they are responsible for project implementation, including participatory planning, project monitoring , supporting village meeting, feedback information, etc. These people received training from PRF staff and also the local government in terms of project implementation, financial management, procurement, operation and maintenance, etc.

2. Methodology and Outcomes

2.1. Applying CDD approach to PRF context

In referring to document of World Bank and well as papers of different countries that applied this theory, CDD is an approach to local development that gives control over planning decisions and investment resources to community groups. Where the target group of CDD is the poor people who are often viewed as the target of poverty reduction efforts; therefore, CDD, in contrast, treats poor people and their institutions as assets and partners in the development process. The meaning and connection of CDD words can see in below figure.

Figure 2: CDD connection



Principle I: Simplicity

Simplicity ensures greater transparency and local ownership of the Project. The Project design, rules and regulations are designed to be simple and easy to understand that enable community to implement. The cost of one infrastructure is not exceeded US\$ 50,000 and community can involve in implementation and quality check.

Principle 2: Community Participation and Sustainability

PRF endeavors to maximize participation in the planning and implementation of sub-projects. Communities prioritize their own proposals and control the implementation and financing of sub-projects. For the sustainability is concerned the collaboration of all development partners, there are 3 factors considered influencing the sustainability of PRF’s CDD, including: 1) Institution, 2) Financial and 3) Technical dimensions. The sustainability will mainly focus on the district and village where project implementation and investment take place which is key work that PRF will pay attention until ending the project.

Principle 3: Transparency and Accountability

Complete transparency and local accountability is essential to the Project. All PRF meetings are public.

Community members must be satisfied that the funds are used properly and they have the right to question any aspect of sub-project planning or implementation either during routine meetings or via the established community Feedback Resolution Mechanism (FRM).

Principle 4: Wise Investment

Every effort must be made to use PRF resources wisely so as to ensure the widest possible coverage and the best possible cost-effectiveness. Therefore, the Community Force Account (CFA) is considered to be an effective approach will be the default implementation modality with the contractor to be hired to carry out those works those villagers cannot execute by themselves, to ensure sub-projects costs are as effective as possible, community get full control over the expenses.

Principle 5: Social Inclusion and Gender Equality

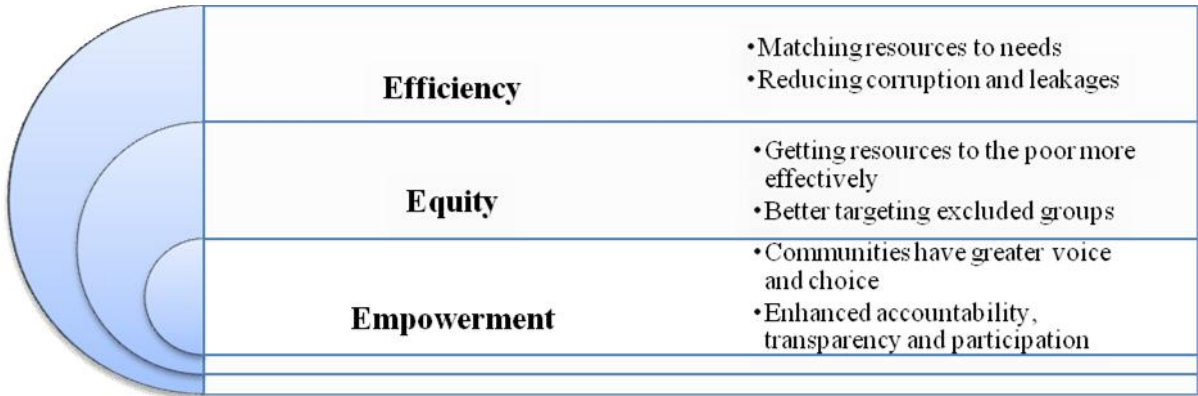
No members of the community can be excluded from participation in PRF activities regardless of production/income levels, gender or ethnicity, disability or age. Special efforts will be made to reach out to the most vulnerable groups of the community. The outcome of project shows that percentage of women in sub-project decision making reached 90% and from ethnic group was more 70%.

Principle 6: Siding with the Poorest

The target of PRF CDD is in the remote areas where is considered as the poor and poorest location with poor

basis infrastructure and service, where at least two-third (60%) of the sub-projects benefited to the poorest villages within each participating Kum ban.

In CDD approach aims to improve development through increased:



For the **Efficiency part**, this would confirm that 70% of total budget were directly allocated to community, in terms of kumban ceiling development, where community would be informed about budget that they would receive annually or in each phase of the project. Furthermore, the community selected and decided the activities (infrastructure or service) based on their available budget and list of village development priority and community themselves who controlled and managed about budget.

In terms of the cost effective way, the communities themselves are obliged to provide support to each sub-project. This may come in the form of cash, as voluntary labor or voluntary contribution of land or materials. Moreover, the cost effectiveness method of PRF is related the sub-project implementation based on the community force account method.

Equity aspect: To ensure that poor people especially, women and ethnic people involved and benefited from the project, so the target areas of PRF were mostly at the isolated and poor infrastructure condition in mountainous location. Villagers decided on the most suitable location within the village for the sub-project so as to ensure equal access to all, particularly for ethnic groups and other vulnerable members of the community; including people with disability and representatives of children. The meeting conducted in local languages and using the voting technique.

Moreover, PRF has developed different IEC² tools (as well as local language) to encourage and motivate the community to involve and understand about the implementation of PRF.

Empowerment: This is an important part of PRF’s CDD approach, community has the right to prioritize their development priorities and also decision making. The community organized focus group discussions with the traditionally marginalized groups though focus group discussions in the village visioning process (for example, woman-headed households, people with disabilities and representatives of children) and provide their inputs at the meeting or separately in smaller groups.

Within the village, it is expected that PRF’s **highly participatory decision-making processes** will give voice and responsibility to all segments of the village community and at least 80% total household representative in the village must participate in village prioritized meeting, where **at least 3 out of 5 prioritized sub-projects must come from women group**. This process will give the poorest members of the village a mechanism to publicly propose and lobby for sub-projects that will benefit them.

² Information, Education, and Communication

2.2. Reflection on CDD's 5 characteristics of PRF

2.2.1. Community focus

The community focus means that the essential defining characteristic of a CDD project that the beneficiaries of implementations are agents of the community, mostly targets small sub-projects in community based on capacity of villagers. Under implementation of PRF, the community driven development is an approach, whereby communities themselves decided on how resources are allocated, managed sub-project funds, implement, operation and maintenance sub-projects. Any approval activities or sub-project should come from the priorities voted by villagers during village development plan stage.

2.2.2. Participatory planning and design

In PRF's CDD, the participatory planning is considered to be a key part of the project, often the possible types of sub-project investment options are large with only small list of sub-projects could be carried out (less than 10%). In the PRF case, the Village Implementation teams (VITs) are set up in all villages where sub-projects are to be implemented in each year. PRF officers and officers of relevant district government line departments provides support to the implementation teams and supervise the processes of surveying and designing approved sub-projects. The level of support provided in each village will depend on the individual needs of the village.

2.2.3. Community control of resources

For the CDD's project is that a transfer of resources to the community occurs and control of the resources is delegated to the community. In this context, PRF's team only takes a lead in providing an extensive facilitation and training for community members, especially the VITs and Kumban facilitators to ensure that everyone is engaged in the decision-making and empowering them to drive village development, based on community ceiling that allocated for the project period.

2.2.4. Community investment in implementation

In the concept of CDD, the community is directly involved in the implementation of the sub-project, in order to encourage community participation and sense of ownership, communities are encouraged to contribute in-kind resources to sub-projects in the

form of both labor and materials based on local availability (at least 10 % of total budget that project had provided). On the other hand, the community also contributes to the implementation indirect in terms of management and supervision of contractors as well as the operation and maintenance of the infrastructure sub-projects and livelihood activities in line with agreed procedures.

2.2.5. Community-based monitoring and evaluation

Different approaches had introduced for community based monitoring, most of them concerned the social accountability tools, such as participatory monitoring, community scorecards and grievance tools. Through the implementation of PRF, the community has to focus on oversight of infrastructure projects, from the planning stage, through the implementation monitoring, including **accountability and transparency** aspect, and ensure the sustainability of all infrastructures that PRF had supported.

Moreover, to ensure the transparency, accountability, quality and poverty impact, the Feedback and Resolution Mechanism (FRM) was established to ensure citizens, including the poorest and vulnerable groups can easily, and without risk, give feedback or report irregularities or problems about Sub-Projects. The FRM mechanism supports the PRF objective of empowering the communities, and is also used as an instrument to review the program design, processes and procedures in order to increase its effectiveness.

2.3 . Relevance of PRF's CDD approach

While building on the gained experience of the rural development programs in Lao PDR, especially, those contribute on NGPES; the PRF approach had adapted and developed tools and mechanism that are appropriate to the context of the poorest districts in the country. In terms of relevance, this is to conform about the project purpose and the country's overall development goal, the PRF demonstrates its commitment support the GoL to achieve its goal of social and economic development of the country, in particular regards to reduce poverty in the poor and remote areas. Through 16 years of PRF, it still deserves to be "**high**" from the perspective of:

1. It consisted with the objective of the NGPES and Millennium Development Goals of Laos, especially, to contribute in rural development and poverty reduction in the poor and poorest districts

in the country, where the national poverty incident reduced from 46% in 1992/93 to 23% in 2012/14, and estimated to be lower than 20% by 2020.

2. consistency with the development needs of Lao PDR and the Government's related policies (particularly, Sam Sang policy or three builds policy, the GOL's four breakthrough policies³),
3. consistency with the donor's assistance policy (e.g. the World Bank's Operational Policy on "the protection of indigenous people interests and environmental safeguard"),
4. consistency with the needs of rural and remote community sustainable development (e.g. through long-term or Five Year Village and Kumban Development Plans, 1951 villages covered by the program have already had "**clear vision on the sustainable development**" of their village. Moreover, many government agencies and other development partners are paying attention on the achievements and approach of the PRF.
5. Consistency with the objectives and result frameworks of PRF program, and also consistency with bilateral financial agreement between GOL and donors.
6. Consistency with current priorities of other development partners in Laos (e.g. PRF has been jointed many working groups on rural development and poverty eradication).
7. In terms of empowerment policy at the grassroots level, the PRF has established village institutions and numerous village volunteers and leaders trained by the project that are increasingly seen by the Government of Laos and Development Partners as an effective platform to implement rural development programs, those are considered as the human resource that the other development partners can use.

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

³ Breakthrough in imagination, in human resource development, in improving management and breakthrough in poverty reduction

Moreover, the PRF demonstrates to its commitment to support the government to achieve its goals on socio-economic development in regard to reduce national poverty (PRF contributed in poverty reduction from 46% in 1992 to 23% in 2015) and increase welfare of the population. It is engaged in assisting poor community to develop small scale community-based infrastructure and other activities, such as water supply, transportation, education, health service, agriculture and other sectors, aiming to reduce poverty in poor rural villages.

Grants are made for communities to develop infrastructure and others priorities following a menu of options, and villagers make the key decision on the type of sub-projects for which they will use the budget allocated.

PRF uses a Community Driven Development (CDD) approach, whereby communities themselves decide on how resources are allocated, manage sub-project funds, and implement sub-projects.

Extensive facilitation and training is provided through the Program to ensure that all community members, including women and different ethnic groups, participate in the decision-making process and benefit from the Program.

The Program builds local capacity by providing technical support for communities, over a number of years, to help solve problems and resolve conflicts. It also aims to create stronger links between the local government and communities. PRF staffs at the district, province and national levels help to coordinate and facilitate these linkages.

2.4. Social and Environmental Safeguards

The social and environmental safeguards ensure that the poorest and most vulnerable people participate in and gain from project investments and that the environment and project affected people, in particular the poorest and most vulnerable, are protected from any negative impact caused by the Project. Given the Project's CDD nature, which is designed and implemented through participatory planning processes enhanced in the CDD approach, and the types of small civil works that will be supported under the project (on average US\$ 43,000 per sub-project), it is not anticipated that the Project activities will create many major adverse impacts that cannot be managed by communities themselves.

Similarly, ethnic groups will continue to represent the majority of project beneficiaries participating in the planning, design, and implementation and monitoring of sub-project implementation based on participatory processes. Care has to be exercised to ensure that free, prior informed consultations are carried out with ethnic minorities and their broad community support is established, given their precarious socio-economic as well as political situation.

2.5. Target groups of beneficiaries

Poor people in remote areas, especially women and ethnic groups in project targeting areas, since the country of Laos is a small land locked with diverse ethnicity; there are 50 officially recognized ethnic minorities, representing four ethno-linguistic families: Lao-Tai, Mon-Khmer, Hmong-Mien and Chinese - Tibetan. These in turn all have many branches and sub-groups. The vibrant traditional culture and indigenous knowledge of this diverse population permeates into all aspects of Lao life.

In the actual work, the communities themselves make the selection of beneficiary villages within each target Kum ban (average 6-7 villages per Kum ban). All villages within target Kum bans are eligible for PRF support. In the target Kum ban, participating communities had worked together to identify the main causes of poverty and choose the best means of addressing those causes, through a series of village and Kum ban level meetings, organized by locally selected facilitators who have been trained by PRF staff. Based on the result, the PRF beneficiary communities will develop the Village Development Plans (KDP) and integrated to district planning that other development partners can use those existing plans.

2.6. Key active influence in participatory mechanism of PRF CDD

Mostly, PRF staff work closely with concerned sectors (women union, Lao youth union, etc) in each target district to help community in preparing their village development planning and also Kum ban Development Plan. Then, during the planning stage target communities identified needs and investment priorities, drafted development plans for their Kum

ban and coordinate development interventions with district government and other development project/agencies.

During the Orientation Stage the Program is introduced and promoted in target locations. All Program participants, including PRF staff, government counterparts and target communities are identified and informed about their rights and responsibilities and receive necessary training to carry out respective roles. In general, the cycle consists of five stages including: 1) Orientation, 2) Planning, 3) Sub-project preparation, 4) Sub-project implementation, and 5) Post implementation activities.

2.7. Institutional Arrangements for PRF's CDD

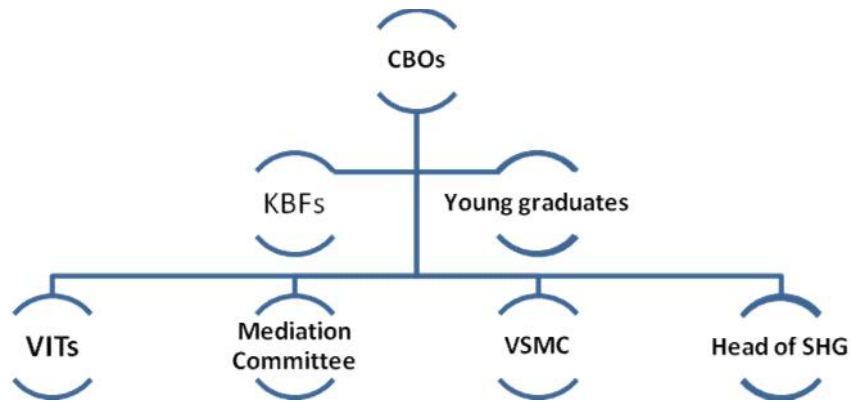
2.7.1. Community Based Organization of PRF

Community based organizations (CBOs) is considered to be key actors to implementation CDD work at village level, it refers to organizing aimed at making desired improvements to a community's in decision making and involving in community development. In the PRF case, CBOs consists of the Kum ban facilitators (KBFs), VITs, Young graduate, VSMC (village self-help group management committee), mediation committee, etc.

In the PRF process, **KBFs** play an important function at the grassroots level by facilitating the link between the PRF as well as the district governor and the community, in helping facilitation of all village-level aspects of the program including participatory planning steps (awareness creation, situation analysis, and Kum ban development planning).

VITs: In the village that received at least one sub-project, villages are requested to lead sub-project implementation their own community, nine members per a VIT team, who are responsible for finance, procurement, and implementation (Three members per each work). According to their capacity level, each community receives support and guidance by the Kum ban Facilitator with the assistance of the district PRF staff on specific responsibility. The process aims to strengthen local capacities while building strong Project ownership and sustainability.

Figure 3: Community based organization structures of PRF



The **mediation committee** will oversee the process of PRF to ensure that agreed principles are followed and those who hold positions representing others are accountable for their decisions and actions and benefits go to targeted people.

For the **Young graduates** are community resource persons to support the livelihood and nutrition activities (LN). They will base at community level to provide guideline to villagers and providing regular reporting of their activities.

The village SHG management committee (**VSMC**) will work closely with young graduate to check the status of the SHG and provide training to SHGs to improve as appropriate. It is a committee at village level for supporting SHG program consisting of representative of Village Council and SHGs.

2.7.2. Partnerships between CBOs and local governments

In this approach, the function of coordinating support to communities is decentralized to local government in each target district to the CDD work, through the creating an enabling environment for community effort in participatory and citizen-oriented planning of local investment. Under the implementation of PRF, it is to create stronger links between the local government and the aspirations of villagers with the program staff at district, provincial and national level that coordinate and build linkages. A forum was created at district level where villagers and district authorities meet regularly to discuss together the priorities, the plans and also reach a compromise that will satisfy each party.

In addition, to promote the bottom up approach, PRF also supported the integration of Village and Kum Ban Development Plan into the District Social Economic Development Plan (DSEDP). This process will help to support community development plans and strengthening the opportunities for community to get what their needs and supports village development fund from another source like NGO, GoL, and private sectors. This will also motivate them to drive their community development as well. PRF will seek to strengthen the integration of the PRF’s bottom-up process with the GoL’s planning and delivery mechanisms through facilitating the participation of Kum ban representatives in the development of annual implementation plan of the existing five year DSEDP, using the PRF’s covering power.

3. Results of PRF'S CDD

3.1. Capacity building

Local community capacity building is the second key component of PRF’s CDD project, this is to ensure the sustainability of the project and ensure that people will hand over after finished supporting from PRF, including the capacity building for community (villagers), capacity building for concerned sectors in each level, and capacity building for PRF staff.

At the village level, this component would finance the capacity development of village leaders and KBFs in participatory planning processes and the logistical cost associated with their participation in district level planning and monitoring processes. This component would also develop their technical, fiduciary and safeguard capacity to implement, supervise and

maintain infrastructure subprojects and livelihood activities in line with agreed procedures. The level of knowledge among villagers about the district level planning processes is expected to increase as they directly participate in the planning processes, which will increase the synergy between the VDP and the GoL's official development strategies and plans.

At the district and provincial levels, this component would continue to finance the cost associated with developing the capacity of relevant government officials to support pro-poor local and community development processes.

At the central level, this component would finance the cost associated with strategic capacity building of the PRF staff and organizing and participating in workshops and other relevant capacity development events.

3.2. Promotion of participation

Under the implementation of PRF, different approaches were used to encourage community involvement in project's activities and created ownership perspective. KBFs are considered to be working with PRF, through the time required to fulfill their duties, they will receive a per diem to cover their expenses related to travel, food, and accommodation when they travel on duty, following the rate on annual basis taking into consideration costs of living functioning.

The Program builds local capacity by providing technical support for communities, over a number of years, to help solve problems and resolve conflicts. It also aims to create stronger links between the local authorities and communities. PRF staff at the district, provincial and national levels helps to coordinate and facilitate these linkages.

3.3. Targeting impacts and achievement

3.3.1. Impact on social capital and sustainability

Through the implementation of PRF (2003-2019), the project could provide the improve access to and utilization of basic infrastructure and service poor community, in which more 5,000 infrastructures had been constructed and renovated, where more than 2,000 villages, over 90% of beneficiaries expressed satisfactory, together with increase the voice of women and ethnic people in decision making, where more than 90 percent of approval sub-projects were

selected by women and more than 70 percent of total beneficiaries are from ethnic group.

The outcomes of the livelihood linked nutrition activities which supported in 165 villages of 7 districts in 2 provinces, 915 SHGs had been established with a total of 10,085 members from the representative more than 10,000 households, 8,699 female (86.26%), and 8,081 of members are from ethnic groups members (80%). The PRF's LN aims to develop and implement innovative livelihood-focused community driven activities, enabling rural household, especially poor and poorest villagers could access credit to improve their livelihoods, well-being and nutrition through group-based activities.

Under the implementation of PRF, sustainability development is related to long-term effectiveness of sub-project operation. This largely depends on the capacity of local community to be aware of the operation and maintenance of rural infrastructures after the completion of the PRF. Therefore, the community participation is directly related the capacity building of local people as to strengthening the skills, competencies and abilities of people in targeted areas so they can overcome the causes of their exclusion and suffering.

PRF has succeeded in **encouraging a high sense of ownership** for local community which is critical if activities are to be sustained in the long term. More than 90 percent of total subprojects that PRF supported from 2012 to 2019 are considered to be in a very good condition and those are well maintained. This is important to confirm that sub-projects will be able to be used in long period of time.

Moreover, through the implementation of PRF also shows that the implementation of PRF has succeeded in the method of community participation; all villagers have opportunity to share their ideas for their community development; particularly, women received the equivalent privileged as men on subproject selection and decision. Women are the potential of human resource in rural areas, those people should have an opportunity to participate on social economic development and receive more education.

3.3.2. Impact on poverty targeting

For more than 16 years, this project might not contribute directly to poverty reduction in terms of income per capita. The outcomes of PRF's work are to create voice for poor communities in decision-making. It increased villagers' perceptions that their input in village affairs and decision making was sought and had significant influence (Endline IE 2016). There was a strong focus on community participation particularly in CDD work.

Innovative ideas were proposed by villagers and included in VDPs, such as community managed rice banks, revolving funds for latrine construction, and solar powered lighting equipment for evening classes for children. Although these were ineligible for project funding, they were included in KDPs for possible funding by other agency.

3.3.3. Impact on effectiveness of public service

The PRF approach develops local capacity, responds to local development needs, and engages and benefits all community members, especially the poorest, most marginalized and women. All supported sub-projects could facilitate to community and improve the living condition of poor people. For example: The rural roads upgrade and bridges provided isolated communities with better access to markets, and the benefits of communication and access to new information and government services.

New schools and health center opened children's opportunities to learn and aspire to a healthier, more productive future; improvements to irrigation, and training in new techniques increases agricultural outputs and their value. Convenient access to clean water both contribute to healthier lives and meant more time available for other productivities including doing homework of children (in average it could reduce 25 minutes of time to take water, Internal Evaluation in 2018).

Access to electricity is an important factor to the living of the communities in the targeted provinces where PRF provide support, as it is link to the living condition and facilitates the daily lives, production, education, and information accessibility for the poor. Some villages plan to set up mills and purchase water pump which will automatically reduce the workload of women and children.

Furthermore, PRF also built local capacity by empowering communities to access and prioritizes their development needs and to plan and implementation projects. The participatory community development process facilitated cooperation and coordination with other organizations and local government.

3.3.4. Risks and factors that affect effectiveness

The successful sustainability of the many sub-projects depends on raising awareness, good design and implementation, and a high level of participation to develop a sense of ownership. Together with remarkable outcomes of project implementation, there are still few risks and factors that assume to affect the effectiveness of PRF, including:

- Scaling up the PRF's approach to the national programme is still considered to be a challenge because of several aspects, including the limited of funding and human resource that the government of Laos could provide, many countries used this approach and funded by the Government, such as, Indonesia, Vietnam. This approach should be added and discussed among key decision and policy makers in Laos.
- Harmonizing the development plan between PRF and the Government is considered to be a key challenge for the implementation of PRF, since there are different approaches and time scale, this would suggest to have a strong cooperation in the same direction, therefore, the Government and Donor(s) should organize a meeting related to this work.
- The limitation of the Government co-financing to directly support CDD and also regulation of finance that cannot allow transferring the budget to community account is become a challenge of the PRF's CDD work, it would suggest discussing and adapting some financial regulation that creates opportunity to poor community to receive the fund as the fund of donor's support.
- Limited availability of the government staff at the grassroots level to follow up and supervise PRF's activities due to limited number of staff with multiple numbers of projects to manage at community level.

- Increase occurrence of natural disaster that also might affect the sustainability of the investment made at the village level, especially storm and flash flood.
 - One of the risk factors is an exit strategy for external support (donors) is a critical component of all CDD interventions including PRF's CDD. Since it is questionable about who will continue the work after ending the supporting from donors; therefore, a clear distinction must be made between support services that are recurrent or permanent in nature and those that are temporary especially the use of consultant staff and the district government staff to work with the project. For recurrent services, sustainability requires putting in place **permanent institutional and financing arrangements (from the Government budget)** at a cost that can be supported over the medium and long term. Temporary sustainable financing or permanent institutional structures. For such temporary services, explicit exit strategies need to be designed and implemented before starting the project.
5. PRF staff leaders in each level are part of government party; all PRF staff are Lao people under staff contract supervised government officials. All positions are assigned with and perform based on defined roles responsibilities.
 6. There are clear rules and manual in combination with clearly defined result indicators which are an important tool for implementation processes. This also ensures PRF will achieve project development objectives and warrants accountability.
 7. There is a good system for monitoring, manual of operation, principles, and result framework. In addition, the monitoring and evaluative assessments are regularly conducted with technical and financial support from donors. This is considered an important factor in allowing PRF to progress effectively.
 8. Strong commitment and devotion of PRF staff as especially at the district level in combination with community initiatives and leadership have constantly been improved. This has provided positive impacts towards sub-projects maintenance to achieve sustainability and efficiency as well as to positively impact local development step by step.
 9. PRF targets and prioritizes women, ethnic minorities and poorest communities in development work which as a result can gradually minimize social development gaps.
 10. Regular coordination and discussion between PRF and donors' technical staff to exchange lessons learnt from periodically sub-project field visits allow modifications and amendments of PRF work to be more practical for project success.
 11. All sub-projects are located in remote areas. This enables PRF to be an important mechanism for the government in contributing to poverty reduction for ethnic communities in rural areas which therefore can increase their trust towards government leadership.
 12. Align with the decentralized policy of GoL, Increased responsibility and accountability to lower levels, which becomes a model for bottom up development approach that can apply with rural development of Laos and region.

3.3.5. Strengths of PRF's CDD

1. Get a strong support from the Government and it aligns with Government development policy. Especially, the concerned sectors from line ministries had closely supervised PRF regarding ideas and PRF organization in combination with generous support from provincial, district and village leaders. This significantly contributes to efficient implementation of PRF work.
2. Local authorities at the provincial, district and village levels had understood the development objectives and goal of PRF and thus facilitated and actively contributed to PRF work implementation and coordination.
3. Created high community participation during sub-project cycle process, for example: communities participate in village and Kum ban planning process. Additionally, they also select and manage sub-projects, set up sub-project maintenance fund which therefore lead to effective and sustainable use of sub-projects received.
4. Created a strong coordination with concerned sectors with good alignment of infrastructures construction standards.

3.3.6. Lessons learned

1. Through the implementation of PRF's CDD in Laos, in the concept of from villagers' need and implemented by the people, it is suitable for the community development context, it responded to the real need of poor community; therefore, this plan should be added to the socio-economic development plan of all district and acknowledged by all development partners.
2. Through the implementation of CDD approach, the training local communities to be trainers or local developers as they will be able to understand their communities better than those from different communities and also ensure the sustainability of the work, such as community force account or CFA approach.
3. Advocacy and mobilization that contribute to behavior changing of communities in remote areas must be carefully conducted, it is a time consuming activity and should be carefully planned and monitored periodically as well as actual interaction with communities is also significant.
4. Encourage sense of ownership and give responsibility to communities is a saving investment as well as assuring sustainable development while there must be a careful consideration regarding the effectiveness of works by emphasizing on participatory planning and implementation.
5. Strengthening capacity in planning, integration and cooperation of plan with concerned sectors such as national development plan of the government, will be a great potential in the afford of the development and poverty reduction. More importantly, the integration is a cost effectiveness as well as to avoid duplicated investment.
6. Breakthrough in imagination by organizing cross village visiting to encourage enthusiasm and learning new skills by doing; this is proved to be effective approach in encouraging communities' participation, for example: PRF's livelihood activities.
7. Production that is based upon communities' ability and local capacity, market demand while protecting environment is considered as sustainable production.
8. Participation and involvement of stakeholders (government, private sector and social entities) will be a great potential that encourage local to participate in a poverty reduction tasks.

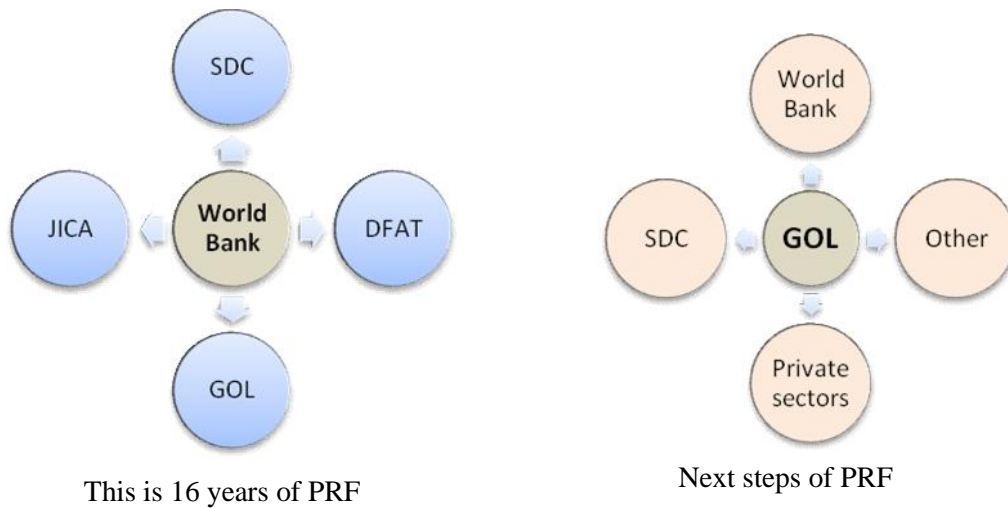
Sustainability of sub projects supported by PRF is greatly depended on communities' sense of ownership through the participatory approach in planning and implementation. Additionally, a proper design of project connected to local context, participation of concerned sectors are of crucial as well as sense of communities' leadership in maintaining those sub projects and the strength of local authorities.

4. Next step of PRF

4.1. Institution arrangement of PRF

Through 16 years' experience, the PRF has been considered to be one of the core instruments of the Government of Laos to tackle local service delivery in remote rural villages in the country. However, the fund and initiative concept of the project are mostly from the supporting of donors (in terms of credit can grant); therefore, to ensure the sustainability of the work in the future, the Government of Laos at nation level should be the key institution to develop the project concept (the real need for rural development) and also to be the key organization for fund raising and resource allocating both budgeting and technical supports.

Figure 4: Key institution to lead the CDD approach in Laos



At the district and village level, at early stage to apply CDD approach, the PRF staff would be able to help in technical support to the government staff as well as villagers to do planning, as more than 16 years of extensive experience in local planning, PRF team would be able to provide cross support the district planning to all districts in Laos, one plan one district is the urgent requirement for district development, this is only the way to improve synergy and avoid overlapping investments in the same target areas and saving budget.

In addition, the use of young graduate students under current activities of PRF, which aims to engage and mobilized as junior consultants under the PRF to provide backup support for the district agencies until the project closing date. In long term, these people can be potential resource that can support the district institution for community development.

4.2. Direction and Goals

Since 2003-20019, the intent of PRF’s CDD is to help empower local communities in remote areas of Laos to shape their future by giving them more resources and the authority to use these resources to improve their standards of living related to basic infrastructure improvement (education, health, water, public work and transportation, agricultural infrastructure and some livelihood activities). In this regards, empowering communities under PRF activity is a smart and dignified way to go, and is an integral part of effective poverty reduction strategies. Indeed, many

projects we and other donors finance are already moving in this direction. However, still too few resources filter down to fulfill all the needs of the communities; therefore, it is needed have special allocation from the GoL.

In addition, the next step of PRF remains consistent with the Lao PDR Country Partnership Framework (CPF) as mentions in project paper (PRFIII AF PAD). More than 16 years, the project will continue to support the objectives of “investing in infrastructure for growth and inclusion” and “reducing the prevalence of malnutrition,” in particular, the project will base on poverty reduction at household level, instead of community level. Therefore, investments in rural infrastructure will continue to connect farmers to markets, improve production, processing and storage capacity through irrigation, agriculture and livestock-related water supply, animal and crop fencing and storage, and other small-scale infrastructure. To ensure the sustainability of the project, the exit strategy must be specified since the beginning of the project with guideline and methodology.

Based 16 years of PRF, for the long-term agenda, the implementation of PRF is a huge optimistic, no one can do much progress alone without supporting and coordinating with other (both financial and technical supports); therefore, initiating a dialog of the program activities should be led by the GoL, where the other development partners and donors can be the implementer and supporters.

More or less, the PRF's CDD aims in issuing this vision statement is to deepen the dialog on CDD among all development partners, national governments, other donors, NGOs, community groups. As the current status, the project leaders are eager to get common space for further discuss the potential and challenges of CDD that scaling up this approach to national level, for example: discussion about exist strategy of SHG activity in those districts which excluded in PRFIII AF's coverage areas, that planned to hold the work to concerned sectors of the Government and continue supporting from Nayobai bank, by using the approach of PRF SHG's experience.

Biography

Hatthachan PHIMPHANTHAVONG, he received a PhD in Local Development and Global Dynamics at the University of Trento (Italy) in 2014, MA in Economics at International University of Japan in 2009, MBA at Lao-French Cooperation in 2005, BA in Economics and BA of Arts at National University of Laos (in 2002&2003). He used to conduct several researches on social economic development, rural development in practice, sustainability, regional development, etc. His work experience and interested occupation are concerned economic development, social & environmental protection, disaster risk

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