Preface

This VD Operations Manual is the second, revised edition of the VD Operations Manual originally drafted in January 2004, and attached as Volume IV of the projects PIP. The revisions for this edition are based on (a) the original VD Operations Manual, (b) the detailed process Guidelines ('keu meu') developed during the course of the projects' Phase 1 (2004 to 2008), (c) revisions being made to these process guidelines in the last year of Phase 1, and (d) experience gained in the field with the implementation of activities.

This revision of the Operations Manual is drafted in expectation of a Phase 2 of the SUFORD project, which will see additional provinces, districts and villages. As many of the VD activities have already been undertaken in the 4 provinces of Phase 1, most of the processes and methods proposed in this Operations Manual would then be targeted, mainly, at those villages in the 5 Phase 2 provinces. Where appropriate however, ongoing VD activities in villages in the initial 4 provinces will also be undertaken under the general guidance of this revised Operations Manual.

This VD Operations Manual is basically a summary of the processes and activities undertaken, or planned to be undertaken, in the village development sub-component of SUFORD. In many cases, the actual implementation is guided by the ‘process guidelines’, revised versions of which will be produced by the end of 2008. The process guidelines that were developed by the project, based partly on the original VD Operations Manual include:

- Process Guideline on ‘Establishment of Village Development Committees’ (draft 16/01/2005)
- Process Guideline on ‘Participatory Data Collection and village situation assessment’ (draft of 16/01/2005)
- ‘Guideline on Development of Gender in VD’ (draft of 16/01/2005)
- ‘Guideline on Ethnic and Poor Family Development’ (draft of 16/01/2005)
- ‘Guideline on Social and Environment Impact Evaluation’ (draft of 25/02/2005)
- Process Guideline on ‘Participatory Village Development Planning’ (draft of 28/1/2005)
- Process Guideline on ‘Participatory development of VD sub-Project Proposal’ (draft of 25/02/2005)
- Process Guideline on ‘Management and Utilization of VD Grant funds’ (drafts of 10/11/06)
- Process Guideline on ‘Village Development Fund Establishment’ (draft of July 2007) to be renamed ‘Establishment and management of VDFund (savings and credit scheme)’
- Process Guideline on ‘Participatory Monitoring and Reporting’ (draft of June 2008)

Two guidelines are under preparation in 2008 are:
- guidelines on ‘Utilization of Forest Revenues for VD’
- Process guideline on ‘participatory forest and land use zoning and planning’.

It is expected that this VD Operations Manual will be reviewed, and undergo further revisions if necessary or appropriate, during the 2nd year of the AF Phase 2 of the SUFORD project.

This VD Operations Manual is drafted and will guide project implementation in parallel to the PSFM Operations Manual. Especially the land use zoning and planning will be conducted jointly with the PSFM sub-component of the project, while the consultations framework (see section 4) covers both VD and PSFM aspects of the project.
Table of Contents

1 INTRODUCTION AND OVERVIEW ................................................................. 1
  1.1 Background and Project Area................................................................. 1
  1.2 Project Objectives .............................................................................. 1
  1.3 Project Principles .............................................................................. 2
  1.4 Provision of VDGs ........................................................................... 3
  1.5 Components of Village Development, and SUFORDS VD process .... 3

2 PROJECT ORGANIZATION, STRUCTURE AND STAFFING ..................... 6
  2.1 Introduction ..................................................................................... 6
  2.2 National level arrangements and responsibilities ......................... 6
  2.3 Provincial level arrangements and responsibilities ....................... 7
  2.4 District and GVD level arrangements and responsibilities .......... 8
  2.5 Village level arrangements and responsibilities ......................... 8

3 WORKPLANNING .................................................................................. 9

4 CONSULTATIONS FRAMEWORK, ............................................................ 10
  4.1 Purpose ......................................................................................... 10
  4.2 The WBs’ Indigenous Peoples Policy and the Ethnic Group Development Plan .... 10
  4.3 The meaning of “consultation” ....................................................... 10
  4.4 Guidelines for carrying out consultations under SUFORD ............... 11
    4.4.1 Staffing: .................................................................................. 11
    4.4.2 Ongoing and linked consultations ........................................... 11
    4.4.3 Prerequisite Research and literature reviews ....................... 11
    4.4.4 Language ............................................................................. 11
    4.4.5 Training of DAFO Staff .......................................................... 12
    4.4.6 Methodologies ..................................................................... 12
    4.4.7 Record keeping .................................................................... 12

5 VILLAGE ORGANIZATION AND CAPACITY BUILDING .......................... 13
  5.1 Review and Understanding of Structure and Roles of Village Organization(s) ...... 13
  5.2 Strengthening of the Village Organization: ..................................... 14
    5.2.1 Village Development Committee .......................................... 14
    5.2.2 Village Fund Management Unit ............................................ 15
    5.2.3 Public Information Unit, or Officer ...................................... 15
    5.2.4 Village Forestry Organization (VFO)/Village Forestry Committee(VFC) .. 15
    5.2.5 Water user group, water retention weir O&M group ............... 15
    5.2.6 Producer groups .................................................................. 16
  5.3 Capacity building for VD Planning and Management ..................... 16
    5.3.1 Organizational capacity ....................................................... 16
    5.3.2 Skills capacity ...................................................................... 16
    5.3.3 Responsibilities and rights capacity ..................................... 16
    5.3.4 Physical capacity (‘facilities’) ............................................... 17
    5.3.5 Objective, function, construction and management of the village hall .... 17

6 VILLAGE DEVELOPMENT PLANNING: PROCESS AND PARTICIPANTS .... 19
  6.1 Village development planning objectives and process .................. 19
  6.2 Participants and Stakeholders in the VD Planning Process ............. 19

7 VD PLANNING: DATA COLLECTION, SITUATION ANALYSIS ............. 20
  7.1 Baseline socio-economic data collection ........................................ 20
    7.1.1 Data/Info Tool 1: Village Profile: a snapshot of Socio-Economic Status ...... 20
8 VD PLANNING: PARTICIPATORY LAND USE ZONING AND PLANNING ........................................... 23
8.1 Objectives ......................................................................................................................... 23
8.2 Role of LUZaP in VD ........................................................................................................ 23
8.3 The Process of Land Use Zoning and Planning ................................................................ 24
8.4 Village Networking ........................................................................................................... 24
8.5 Mapping - the essential tool and result of LUZaP ................................................................ 25
9 VD PLANNING: THE VILLAGE DEVELOPMENT PLAN ................................................................. 26
9.1 Linking with District and GVD development plans, or existing VDPs ............................... 26
9.2 Linking the VDP with the forest and land use zones and plan ......................................... 26
9.3 Developing the VDP with Villagers .................................................................................. 26
9.4 Documenting the Village Development Plan ................................................................... 27
9.5 Approving, dissemination and display of the VDP ............................................................ 28
10 PLANNING VDG: SELECTING ACTIVITIES, DECIDING IMPLEMENTATION MODALITY ...... 29
10.1 General policies and conditions for village use of SUFORD VDGs ................................. 29
10.1.1 Summary of SUFORD Project Policies ....................................................................... 29
10.1.2 Types of activities eligible for support by VDGs .......................................................... 29
10.1.3 Types of Activity prohibited to be supported by VDGs ................................................. 30
10.1.4 Number and size of activities ....................................................................................... 30
10.2 Participatory Planning the use of VD Grants – Decision Making ..................................... 30
10.2.1 Introducing the VDG and ‘activity types’ villagers ...................................................... 30
10.2.2 Process to Allocate VDG to the three main activity types .......................................... 32
10.2.3 Deciding implementation modality for infrastructure sub-projects ........................... 34
10.2.4 Deciding implementation modality for household livelihood funds ......................... 34
10.2.5 Developing VDG sub-project proposals: Model 1 .................................................... 34
10.2.6 Drafting proposals for use of VDGs-LRF under Model 2 ....................................... 35
10.3 Planning the use of ‘returned’ VDG-LRF loans ................................................................. 36
11 APPROVING SUB-PROJECT PROPOSALS FOR VDG FUNDING .......................................... 37
11.1 Criteria for VD Grant eligibility ....................................................................................... 37
11.1.1 Establishment of Village Forestry Organization (VFO)/Village Forestry Committee(VFC) ......................................................................................................................... 37
11.1.2 Completion of approved village LUZAP ..................................................................... 37
11.2 District Meeting to review and approve VDG sub-project proposals ............................. 37
12 VILLAGE FUNDS, FINANCES AND THEIR MANAGEMENT .................................................. 38
12.1 Main components of Village Finances, and Financial Management ............................... 38
12.2 VDF-SCG (Savings and Credit group) ........................................................................... 38
12.2.1 Key features of a VDF-SCG (Savings and Credit group) ......................................... 38
12.2.2 Management Structure of the VDF ........................................................................... 39
12.2.3 VDF Quarterly Forums ............................................................................................. 39
12.3 Net Forest Revenue for Village Development ................................................................ 40
12.3.1 Transfer and use of net forest revenue for VD ........................................................... 40
13 SUFORD VDG FUND FLOWS, PROCUREMENT AND ACCOUNTING .................................. 41
13.1 Introduction ....................................................................................................................... 41
13.2 Flow of VDG Funds ................................................................. 41
13.2.1 Generalized process .......................................................... 41
13.2.2 Disbursements ................................................................. 41
13.2.3 Selecting operators of the Village Bank account ............ 42
13.3 Village Bank Accounts and Cash Box ................................ 42
13.3.1 Opening a village bank account and preparing for the use of the fund ................................................. 42
13.3.2 Alternate 'banking' in case a District bank branch not existent ................................................................. 42
13.3.3 Village Cash Box ............................................................ 42
13.3.4 Procedure for withdrawals from (operation of) the Village Bank account .............................................. 44
13.3.5 Record Keeping in relation to Operation of the village bank account ..................................................... 44
13.4 Accounting and record keeping in relation to use of VDG by villagers ......................................................... 44
13.4.1 Accounting of disbursement in Village infrastructure - district contractors .............................................. 44
13.4.2 Accounting of disbursement in in-kind revolving funds ................................................................. 45
13.4.3 Accounting of VDG-LRF: procurement by individual loanee ................................................................. 45
13.4.4 Accounting of VDG-LRF: group- VDC managed - procurement ................................................................. 45
13.5 Methods of Procurement and Contracting for Infrastructure ................................................................. 45
13.5.1 Community Force Account .............................................. 46
13.5.2 Procurement of Small Works ........................................... 46
13.5.3 Procurement of Goods - Local Shopping – if goods cost over US$500 ......................................................... 47
13.5.4 Procurement by Direct Contracting or sole sourcing ................................................................. 47

14 AGRICULTURAL AND AGRO-FORESTRY EXTENSION ................................................................. 48
14.1 Agricultural Livelihoods and Constraint and Potential Analysis ................................................................. 48
14.2 Extension and Training Needs Assessment ................................................................................................. 48
14.3 Activity Focuses, practical skills or technical training ....... 48
14.4 Demonstrations and on-farm trials ........................................ 49
14.5 Farmers Exchange with Farmers and Study Tours ........... 49
14.6 Provision of information materials ........................................ 50
14.7 Support to Village Veterinary Workers systems .............. 50
14.8 Support to Producer groups .................................................. 50
14.9 Village business enterprises, farm and NTFP economics .... 50

15 ‘FOREST’ MANAGEMENT AND UTILIZATION ................................................................. 51
15.1 NTFP Profiles: Assessment of NTFP collection, use and sale ................................................................. 51
15.2 NTFP management and regeneration for livelihood development ................................................................. 52
15.3 NTFPs plantations ............................................................... 52
15.4 NTFP based small scale enterprises ..................................... 52
15.5 Small scale timber processing ................................................ 52

16 SOCIAL SERVICES ....................................................................................... 53
16.1 Education .................................................................................. 53
16.2 Adult Education – literacy and numeracy .................................. 53
16.3 Health and sanitation .............................................................. 53
16.3.1 Domestic water supply ...................................................... 53
16.3.2 Health stations .................................................................. 53
16.3.3 Village medicine funds ..................................................... 53
16.4 Village rice bank ..................................................................... 53
16.5 Village birthing houses ............................................................. 54

17 COMMUNITY INFRASTRUCTURE DEVELOPMENT AND MANAGEMENT .......................... 54
17.1 water resources infrastructure .................................................. 54
17.1.1 Irrigation .......................................................................................................................54
17.1.2 Water retention weirs ................................................................................................54

18 **PARTICIPATORY MONITORING AND REPORTING** ............................................. 55
18.1 Monitoring Village Socio-Economic Status .................................................................55
18.2 Monitoring and Reporting of Financial and Physical progress of VDG activities........55
18.2.1 VDC Monitoring and Reporting of “VDG-LRF” activities ......................................55
18.2.2 Monitoring and Reporting of “community revolving fund” Activities .................56
18.2.3 Monitoring and Reporting of infrastructure investments .......................................56
18.2.4 Monitoring and Reporting on the use of 2% VDC Admin overheads .......................56
18.3 Monitoring and Reporting of Financial status of VDF-SCG .......................................56
18.4 District Reporting to PPCO / PAFEC / PAFO and higher (eg NPMO) .......................57

19 **TRAINING** ............................................................................................................... 58
19.1 Principles of training ....................................................................................................58
19.2 Training process ..........................................................................................................58
19.3 2 Levels of Training ...................................................................................................59
19.4 Workshops ..................................................................................................................60
19.5 Scope of Training ........................................................................................................60

**Index of Figures**

**Figure 1:** Summary of the Village Development Process implemented in SUFORD .......5
**Figure 2:** The general place of LUZaP in relation to VD .................................................23
**Figure 3:** Flow chart of steps taken in village workshop to decide on use of VDG ..........33
**Figure 4:** Basic steps: operation of VDG support livelihood revolving funds, Model 2 ....36
**Figure 5:** Illustration of the 3 main components of Village Finances, and their linkage ..38
**Figure 6:** Flow of Funds from the World Bank .................................................................41
**Figure 7:** Typical types of disbursement - flow of funds - of Village Development Grants ....43
**Figure 8:** Flow chart of the stages (some optional/alternatives) in the training process ....59

**Index of Tables**

**Table 1:** Production Forest Areas, Districts and villages covered by the Project ..........1
**Table 2:** sub-process and task used in annual/quarterly workplanning and reporting ......9
**Table 3:** Socio-economic data and information gathering tools ....................................20
**Table 4:** indicative list of possible activities for inclusion in the VDP ..............................27
**Table 5:** Typical layout of VDP summary table to be on permanent display in the village ....28
**Table 6** Example of table used to record and score the three choices of each men and women (2 such tables actually used, 1 for women’s and 1 for men’s group) .........................32
**Table 7:** Tabulation of results of women’s and men’s priorities for sub-projects, and indication of which activities were finally chosen, for VD Grant funding ........................................32
**Table 8:** Structure of VDG sub-project proposals: under Model 1 .................................35
**Table 9:** Format for recording data about NTFPs which villagers sell .........................51
**Table 10:** Extract from Format for recording data about commercial NTFPs ...............51
### Acronyms (to be expanded)

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>AF Phase</td>
<td>Additional Financing Phase of SUFORD</td>
</tr>
<tr>
<td>DAFO</td>
<td>District Agriculture and Forestry</td>
</tr>
<tr>
<td>DOF</td>
<td>Department of Forestry</td>
</tr>
<tr>
<td>LUZaP</td>
<td>Land use Zoning and Planning</td>
</tr>
<tr>
<td>FMP</td>
<td>Forest Management Plan</td>
</tr>
<tr>
<td>FMU</td>
<td>Forest Management Unit</td>
</tr>
<tr>
<td>GOL</td>
<td>Government of Laos</td>
</tr>
<tr>
<td>GVFO</td>
<td>Group of Village Forest Organizations</td>
</tr>
<tr>
<td>LFNC</td>
<td>Lao Front for National Construction</td>
</tr>
<tr>
<td>LUZaP</td>
<td>Land use Zoning and Planning</td>
</tr>
<tr>
<td>LNFC</td>
<td>Lao National Front for Construction</td>
</tr>
<tr>
<td>LWU</td>
<td>Lao Woman Union</td>
</tr>
<tr>
<td>MAF:</td>
<td>Ministry of Agriculture and Forestry</td>
</tr>
<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>NAFES</td>
<td>National Agriculture and Forestry Office</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>NPMO:</td>
<td>National Project Management Office</td>
</tr>
<tr>
<td>NTFP</td>
<td>Non Timber Forest Product</td>
</tr>
<tr>
<td>PAFO:</td>
<td>Provincial Agriculture and Forestry Office</td>
</tr>
<tr>
<td>PFA</td>
<td>Production Forest Area</td>
</tr>
<tr>
<td>PFA</td>
<td>Production Forest Area</td>
</tr>
<tr>
<td>PFS</td>
<td>Provincial Forest Section</td>
</tr>
<tr>
<td>PIP</td>
<td>Project Implementation Plan</td>
</tr>
<tr>
<td>PPCO</td>
<td>Provincial Project Coordination office</td>
</tr>
<tr>
<td>PSFM</td>
<td>Participatory Sustainable Forestry Management</td>
</tr>
<tr>
<td>SUFORD</td>
<td>Sustainable Forestry and Rural Development Project</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>VA</td>
<td>Village Administration</td>
</tr>
<tr>
<td>VDF-SCG</td>
<td>Village Development Fund – Savings and Credit Group</td>
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<td>VDG</td>
<td>Village Development Grant</td>
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<td>VDG-CRF:</td>
<td>Village Development Grant - Commodity Revolving Funds</td>
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<td>VDG-IiI:</td>
<td>VDGs – Investment in Infrastructure</td>
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<td>VDG-LRF:</td>
<td>Village Development Grants - Livelihood Revolving Funds</td>
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<td>Village Development Plan</td>
</tr>
<tr>
<td>VDU</td>
<td>Village Development Unit</td>
</tr>
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<td>VD</td>
<td>Village Development</td>
</tr>
<tr>
<td>VFC</td>
<td>Village Forestry Committee</td>
</tr>
<tr>
<td>VFO</td>
<td>Village Forestry Organization</td>
</tr>
<tr>
<td>GVD</td>
<td>Village Group for Development</td>
</tr>
</tbody>
</table>
1 INTRODUCTION AND OVERVIEW

1.1 Background and Project Area

The Sustainable Forestry for Rural Development Project (SUFORD) provides support to GOL efforts to put priority natural production forests under sustainable forest management (SFM), and to link such management with improvement of villager livelihoods.

The Village Development Sub-component supports village development planning, the preparation and implementation of village development sub-projects, villager training, other extension activities, and participatory monitoring and reporting. The main project beneficiaries are villagers who are involved in PSFM and VD planning and field implementation. Other direct beneficiaries include district, provincial and national forestry and agricultural staff who will receive training and experience in project and program implementation.

Field implementation of the project during the additional financing phase, or Phase 2, during the period cy 2009 to 2011, will cover:

(a) about 651,680 ha in 8 PFAs in 18 districts, encompassing 412 villages, in the Phase 1 Provinces of Khammouane, Savannakhet, Salavan and Champassak; and

(b) about 665,195 ha in 16 districts, encompassing an estimated 330 villages in 8 PFAs in the additional financing Provinces of Attapeu, Sekong, Bolikhamsai, Vientiane and Sayabouli.

Table 1: Production Forest Areas, Districts and villages covered by the Project.

<table>
<thead>
<tr>
<th>Province</th>
<th>PFA</th>
<th>Districts</th>
<th>Area, ha</th>
<th>no. village</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khammouane</td>
<td>Dong Phousoi</td>
<td>Xebangfai, Mahaxai</td>
<td>140,093</td>
<td>70</td>
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<tr>
<td></td>
<td></td>
<td>Xaibouathong</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dong Khating/</td>
<td>Mahaxai, Xaibouathong,</td>
<td>105,791</td>
<td>92</td>
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<tr>
<td></td>
<td>Nongkapat</td>
<td>Boualapha</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savannakhet</td>
<td>Dong Sithouane</td>
<td>Songkhon, Thapanghong</td>
<td>150,833</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>Dong Kapho</td>
<td>Phu, Phalanxai, Xonbuly</td>
<td>51,652</td>
<td>24</td>
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<tr>
<td>Salavan</td>
<td>Lao Ngam</td>
<td>Lao Ngam, Khongxedon</td>
<td>74,860</td>
<td>66</td>
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<tr>
<td></td>
<td></td>
<td>Vapi, Salavan</td>
<td></td>
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<td></td>
<td>Phou Talava</td>
<td>Salavan, Toomlan, Ta Ot</td>
<td>63,821</td>
<td>27</td>
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<tr>
<td>Champassak</td>
<td>Xalivangveun</td>
<td>Xanasomboun, Bachiang</td>
<td>37,590</td>
<td>43</td>
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<tr>
<td></td>
<td>Phatumphone</td>
<td>Phatumphone</td>
<td>27,041</td>
<td>36</td>
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<tr>
<td>4 Prov: Phase 1</td>
<td>8 PFAs</td>
<td>18 districts</td>
<td>651,681</td>
<td>412</td>
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<td>Attapeu</td>
<td>BaengVilay</td>
<td>XanamXai</td>
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<td>NamPa</td>
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<td>Sekong</td>
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<td>Lamam, Galum</td>
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<td>Bolikhamsai</td>
<td>PhuPhaXang</td>
<td>Bolikhon</td>
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<td>PakBeuak</td>
<td>Bolikhon, Pakkading, Viengthong</td>
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<td>Vientiane</td>
<td>NongPhet</td>
<td>VangVieng, Met, Kasi, Feuang</td>
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<td></td>
<td>Phu Yieur</td>
<td>Xanakham, Met, Feuang</td>
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<td></td>
<td>PhouPhaDum</td>
<td>Paklay, Pieng, Sayabouli</td>
<td>95,224</td>
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<td>5 Prov: Phase 2</td>
<td>8 PFAs</td>
<td>16 Districts</td>
<td>665,195</td>
<td>329</td>
</tr>
</tbody>
</table>

Total: 9 Provs 16 PFAs 34 Districts 1,316,876 862

1.2 Project Objectives

The overall goal of the SUFORD project is to institute sustainable forest management in natural production forests and by doing so to alleviate rural poverty, protect biodiversity and enhance the contribution of forestry to the development of national and local economies. The development objectives of the project are to:
improve the policy, legal and incentive framework enabling the expansion of sustainable, participatory forest management throughout the country;

bring country’s priority natural production forests under participatory, sustainable management (PSFM); and

improve the villagers’ well-being and livelihoods through benefits from sustainable forestry, community development and development of viable livelihood systems.

1.3 Project Principles

The project is based on the following principles:

- **Participation of villagers in forest management**: Villagers will be actively involved in forest management (boundary demarcation, land-use zoning and planning, forest resource inventory, management planning, harvesting and planting), recognizing that the degree of their involvement and decision-making power will depend on the task and scope of work in relation to their capabilities. Participation will take place in (i) decision-making at all stages from planning to implementation; (ii) plan implementation itself; (iii) benefit sharing; and (iv) monitoring and evaluation.

- **Villager ownership of development plans**: Ownership of the VD process and plans is a central project feature, and will start from data collection, problem analysis, be encapsulated in the VDP plans themselves, and follow thru to participatory monitoring.

- **Holistic area-based approach built on comparative advantages and strengths**: Forestry, agriculture, conservation and community development are considered as part of natural resource management system, even when project areas are classified as production forests. PFA determination and forest management planning will be undertaken within a broader framework provided by both macro-level land-use zoning and village level land-use planning, paying sufficient attention to a wide range of products and services provided by forests.

- **Recognition of villagers’ traditional/customary rights** including their village boundaries and access to a conflict resolution mechanism. It is essential to legally recognize villagers’ rights to manage and use forests and create mechanisms to allow villagers to exercise their rights especially concerning access to natural resources.

- **Step-by-step and learning-by-doing approach**: This approach as tested and implemented during the earlier phase of the project will continue to be applied and adapted to local conditions of the new project sites. Additional learning and experiences gained will be synthesized and used as inputs in further improving the approach as needed.

- **Building on existing organizations as much as possible**: Whenever possible the project will build on existing organizational arrangement at all levels to avoid creating parallel project-driven structures.

- **Systems development and consolidation and capacity building** will be emphasized to enhance project sustainability and allow expansion of systems found to work well.

- **Gender responsiveness**: Gender issues and concerns will be integrated and included in all stages of project development (planning, training, implementation, and monitoring and evaluation). The project aims at promoting active participation and equal opportunity for women and men in forest employment, decision-making concerning forest management and village development, and will undertake training and development efforts targeted specifically at women.

- **Ethnic responsiveness**: The implications of ethnic specificities will be reflected in the development and use of process guidelines, staff training, recruitment of staff able to work with various ethnic groups, and targeting development efforts at ethnic groups. Each forest
management plan and village development plan will take ethnically specific approaches and concepts into consideration. The general strategy for ethnic responsiveness is included in the Ethnic Group Development Framework, and the Consultations Framework (section 4).

1.4 **Provision of VDGs**

A key aspect of the Village Development sub-component is the provision of Village Development Grants (VDGs) to participant villages, to help finance development activities and initiatives (also termed sub-projects) as identified by those villagers. In the 5 Phase 2 Provinces, villages will receive US$4000 in VDG funding, provided in one installment. In the Phase 1 Provinces (during 2003 to 2008), each village received a total of US$8000 in VDG funding, provided in 2 tranches. The rationale for providing VDGs to project villages is based on the following considerations:

- In the long term, alternative means of income-generation resulting from village investments are likely to reduce direct pressure on surrounding forest. For example, if villagers can better develop agriculture and livestock production, then they may not rely as heavily on non-timber forest products and hunting of wildlife as a source of income.

- The VDGs are also provided as an expression of goodwill or appreciation from the GoL to those villagers for their participation and management of the nation’s production forests.

- Handling village development funds and the associated developments projects will provide villagers with the experience necessary for administering revenues from forest management and will also function to build cooperation between villagers.

- Many of the villagers’ priority development needs cannot be financed immediately from sustainable forest management because of (a) limited funds accruing to the village from forest revenue sharing and (b) these revenues accrue to the village group, not to villages or households.

- Disbursements of VDGs will be dependant on key events in village level implementation of PSFM and VD, and as such are an incentive to complete certain management tasks.

In addition the project provides technical assistance and training to ensure that village development sub-projects, whether funded by the project, village forestry revenues or other sources, are feasible and sustainable, well-designed and well-implemented.

1.5 **Components of Village Development, and SUFORDS VD process**

In general terms, village development encompasses various sectors and components, some of which may also be termed ‘rural development’. It can be useful to distinguish three main areas of village development activities, as follows:

- **Community or Social Services**, including education, health, water and sanitation, village finances, village organization, etc

- **Community infrastructure development**, including roads and access, communications, power, etc

- **Livelihood development**, including agriculture and agricultural livelihoods, forest resources and forest related livelihood, non agricultural livelihoods, etc.

The various Ministries, Departments and other agencies responsible for working with villages, in relation to these sectors, have different but complementary roles, and coordination of these is effected via District authorities. Nonetheless, providing a balance between these various components of VD can be challenging.

The sectors and/or components in which VD in the SUFORD project focused during phase 1, and may be expect to continue on phase 2 - but dependant on decisions of participant villagers - includes:
Village organization and management;
Planning for village development;
Village financing and financial management;
Livelihoods Development (agricultural and livestock extension, and small business enterprises facilitation etc);
small Social Services activities (education and health);
small scale Village Infrastructure; and
Participatory monitoring,

The process or steps in VD envisaged to be undertaken in SUFORD phase 2 is illustrated in Figure 1. This process is based on the process which evolved during the phase 1, and lessons learned from its implementation, with the objective of streamlining activities, avoiding paperwork considered impractical for isolated or forest-based villages, and focusing on (i) capacity building and village development planning, (ii) village management of finances and funds, and (iii) the provision of extension services by GoL agencies.

While some activities or steps (in figure 1) may be ‘once of’, others may be cyclical or recurring in nature - annual, or according to project requirements.

The detailed activities to be undertaken in each step are expanded on in the following sections of this VD Operations Manual.
Figure 1: Summary of the Village Development Process implemented in SUFORD

1. Introduction, Organizing and planning Capacity Building
   - PSFM and VD joint activity

2. Land use Zoning and Planning for Village/GVD.

3. data collection, village profile, problem and potential analysis

4. Village Development Planning – the VDP

5. District Review/Approval of VDP and the LUZP
   - i) Training of staff
   - ii) Gather/review District and NSC socio-economic data
   - iii) Gather/review District and GVD Development plan

6. Explain VDG and VDF to villagers.

7. Select activities, develop sub-project proposals, for VDG

8. District/Prov review and approve VDG proposal

9. NPMO review, instruct MoF to transfer

10. Transfer VD Grants to Village Bank Account

11. Capacity Building: Meeting hall, office, equipment, training

12. Village withdraws funds, and implement activities

13. Village Funds Management
   - VDG bank account, disbursement, HH credits
   - Receipt of forest revenues, other funds
   - Manage repayment of VDG-credits to HHs
   - Establish VDF (savings/credit groups)

14. Extension, other support
   - i: Agricultural Extension and Training
   - ii: Agricultural Production and marketing
   - iv: Community Services: health, education
   - v: village or small business enterprises

15: non-PFA Forest Management, Utilization

16. Monitoring and Reporting

Microfinance support

Training
2 PROJECT ORGANIZATION, STRUCTURE AND STAFFING

2.1 Introduction
Consistent with the Government’s policy of decentralization, project implementation will be largely decentralized although the project will be centrally coordinated. Responsibility for forestry issues, the PSFM sub-component, will be distributed among numerous agencies at both national and local levels, mainly the Department of Forestry and Provincial Forestry offices, but also the newly formed Forestry Inspection Department and Ministry of Trade and Commerce. Responsibility for Village Development sub-component will be mainly with NAFES at the central level, PAFOs’ planning section at the Provincial level, and DAFO at the District level. Also involved at the local levels will be the newly formed Grassroots Construction and Integrated Rural Development Office, the Governors office, especially at District level, and heads of GVDs.

2.2 National level arrangements and responsibilities
While the projects National Project Management Office (NPMO) will be in the MAFs’ Department of Forestry, the implementation of the Village Development sub-component will be under the responsibility of NAFES. The project will have a National Project Coordinator (NPC) who will look after the entire project including implementation of policy and legal matters, sectoral support and control and monitoring activities. Deputy National Project Coordinators (D/NPC) one each for PSFM and VD, will be based at the DoF and NAFES respectively.

The (NPMO) will be in charge of project coordination and management, centralized procurement, financial management, monitoring and reporting. The DoF based NPMO will also be responsible for implementation of national level project activities related to policy and legal issues, establishment of PFAs operations of PSFM and forest sector monitoring. The NAFES based VD office responsibilities include developing and revision of guidelines, planning, training facilitation, providing technical assistance, and monitoring VDGs and VDF, in cooperation with VD partners and NAFES.

At the National Level, an inter-ministerial Central Project Steering Committee (CPSC) is established at MAF to provide overall policy and implementation guidance, and to periodically review implementation performance. The Committee has representatives from MAF, PSO/MAF, DOF, NAFES, MOF, STEA, LWU, LFNC and MOC.

A Chief Technical Adviser (CTA) will support the NPC in his/her work, while a financial and procurement adviser will support the finance office of the NPMO, and finance offices in the Provinces. A Village Development Adviser (VDA) will support the D/NPC-VD in NAFES, and the national VD consultants in the 9 provinces. A Participation and Social Inclusion Adviser (PSIA) will work with both PSFM and VD sub-components to ensure ethnic minority, gender and poverty aspects are fully incorporated into the project activities. A couple of the national VD consultants may be based centrally by servicing all provinces will work specifically on (i) ethnic minority consultations, (ii) micro finance and (iii) NTFP. Short term consultants for VD will be fielded to assist in the areas forest and land use planning, data basing, ethnic minorities and gender etc. A local Microfinance agency will be engaged to provide training and support to village funds and financial management.

A Forest Restoration and Management Adviser will support the D/NPC-PSFM in DoF, and the national forestry consultants and overall PSFM support in the 9 provinces. Also based on DoF will be the forest monitoring and control adviser, and management information system adviser, and a short-term forest cover monitoring advisor will assist the FIPD.
2.3 Provincial level arrangements and responsibilities

Coordination in the field, where most project activities will take place, will be the direct responsibility of each province. A Provincial Project Coordination office (PPCO) will be set in each of the Project Provinces under the PFS, which is under PAFO. The PPCO will be responsible for coordinating and facilitating implementation of participatory sustainable forest management and village development, and management of provincial project funds. The Provincial Project Coordinator (PPC), responsible for PSFM, will be based on the PFO, under PAFO, while the Deputy PPCO, responsible for VD, will be from PAFOs’ planning section. The administrative functions of the PPCO will be undertaken by dedicated staff from the PFS admin and finance office.

The forestry or PSFM tasks will be undertaken by staff from the PAFOs’ Provincial Forestry Office. However, the VD tasks will be undertaken by an inter-disciplinary team, the Provincial Village Development Unit (P-VDU), with staff assigned from various offices, including the following:

- PAFOs’ Provincial Agricultural Section. Responsibilities of these staff will include assisting in data collection, village problem and potential analysis, land use planning, and development of village development plans. They will be responsible for coordinating and supporting extension activities related to crop production, and monitoring crop productivity etc.;
- PAFOs’ Provincial Livestock and Fisheries Section. Responsibilities of these staff will include assisting in data collection, village problem and potential analysis, land use planning and development of village development plans. They will be responsible for coordinating and supporting extension activities related to livestock, and monitoring livestock productivity etc.;
- PAFOs’ Provincial Forestry Section (1 staff). Responsibilities of this staff will include assisting in data collection, village problem and potential analysis, forest use planning and development of village development plans. They will be responsible for coordinating and supporting extension activities related to village forest management and utilization, especially NTFPs, and development of small enterprises based in forest products;
- Provincial ‘Grassroots Construction and Integrated Rural Development Office. Staff from this office will focus on socio-economic data collection, development of village development plans and then support and assistance to management of village funds and finances;
- Provincial ‘Lao Womens Union’ and ‘LNFC’ staff will be as assigned, as required, to all activities in which the participation and role of women and ethnic groups, respectively, will be addressed, ranging from village organizational issues, development planning, forestry and land use planning, financial management and small scale enterprise facilitation; and
- Provincial Statistics Office staff will be as assigned, as required, to the initial, and then later repeated, socio-economic data collection.

The above assignment of staff to tasks is consistent with the strategy that Provincial level staff are subject matter specialists, not assigned to a Districts as a generalist, covering all task. The Deputy PPC/VD will be supported by long-term TA (a National Consultant based in each province), missions from the VDA and PSIA, as required inputs from short term consultants, and the locally engaged Microfinance agency.

A Provincial Project Steering Committee (PPSC) is established to (a) provide overall policy and implementation guidance, (b) ensure collaboration with other rural development agencies, projects and mass organizations, and (c) periodically review implementation performance. The PPSC includes the following members:

a) Deputy Provincial Governor, as chair (and also member of the NSC);
b) Head or Deputy head of PAFO;
c) Head or Deputy head of Provincial Grassroots Construction and Integrated Rural Development office;
d) representative from Provincial Planning office;
e) representative from Provincial Finance;
f) representative from Provincial Commerce;
g) LWU; and
h) LNFC;

2.4 District and GVD level arrangements and responsibilities

At the District level, responsibility for project management and coordination is the direct responsibility of the head and/or deputy head of DAFO. Similarly, administration and finance task are undertaken by staff of the DAFOs Admin and Finance Unit.

The VD tasks at the village level will be again be undertaken by dedicated, inter-disciplinary team, termed the District Village Development Unit (D-VDU), with staff assigned from DAFO and the GC-IRD Office (if existing in the District). DAFO staff will either be based in the District DAFO office, but most based in the GVD office. As such, DAFO staff usually act as generalists, and responsible for a specific group of villages. Notwithstanding this, it is proposed that, where possible, a (i) cropping subject matter specialist (SMS), (ii) livestock SMS, and (iii) NTFP and forest product SMS are assigned by and based at the DAFO, to service all villages in the project. Assignment of VDU staff to a group of villages is assured thru the confluence of the GVD and sub-FMA.

The key responsibilities of the VDU staff are to facilitate the various steps VD process, by implementing VD components of the projects annual and quarterly workplan. For these teams to be effective, they will require substantial training, incentive, and improved mobility, to motivate them to visit the villages more often, and to be able to offer the villagers meaningful assistance.

A District Project Steering Committee (DPSC) is established at the governors office to (i) provide overall policy and implementation guidance, (ii) ensure collaboration with other rural development agencies, projects and mass organizations, and (iii) periodically review implementation performance. The DPSC representatives include;

(a) Deputy District chief, generally the chair of the DPSC;
(b) Head of DAFO;
(c) Head of District Planning Office;
(d) Head of District Integrated Rural Development Office;
(e) Head of District Finance Office;
(f) LWU;
(g) LFNC;
(h) District Health Office (in case VDP includes, or VDG used for health and sanitation);
(i) District Public Works Office (in cases VDP includes, or VDGs used for infrastructures);
(j) Head of District Education Office (in case VDP includes of VDGs used for education); and
(k) Other related agencies.

2.5 Village level a and responsibilities

Presented in Section 5.
3 WORKPLANNING

The VD sub-component, like the rest of the SUFORD project, will be expected to draft annual and quarterly workplans. The workplans will be based on ‘Sub-processes’ and ‘task’ as detailed in the project workplan for the AF Phase 2, and summarized for VD in table 2 below.

Table 2: sub-process and task used in annual/quarterly workplanning and reporting

<table>
<thead>
<tr>
<th>Sub-processes</th>
<th>tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest and Land use zoning and planning (undertaken with PSFM)</td>
<td>1 Establish Guidelines, undertake pilots</td>
</tr>
<tr>
<td></td>
<td>2 Implement land use planning, zoning, on-going management</td>
</tr>
<tr>
<td>Village (and GVD) Capacity building</td>
<td>1 Introduce Project Concept to the village</td>
</tr>
<tr>
<td></td>
<td>2 Review Village Organization, plan to strengthen</td>
</tr>
<tr>
<td></td>
<td>3 Strengthen Village Organization</td>
</tr>
<tr>
<td>Village Development Planning</td>
<td>1 Village Data collection, problem analysis,</td>
</tr>
<tr>
<td></td>
<td>2 Participatory Village Development Planning</td>
</tr>
<tr>
<td></td>
<td>3 Computerization of Data, VDPs</td>
</tr>
<tr>
<td></td>
<td>4 District Review and approval of VDP</td>
</tr>
<tr>
<td>VD Grant Delivery</td>
<td>1 Consultations, explanation of VDGs, VDF</td>
</tr>
<tr>
<td></td>
<td>2 Participatory Formulation of VDG proposals</td>
</tr>
<tr>
<td></td>
<td>3 Review/ approval of proposals at District level</td>
</tr>
<tr>
<td></td>
<td>4 NPMO submit VDG proposals to MoF</td>
</tr>
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<td></td>
<td>5 Transfer of VD Grants to Village Bank Account</td>
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<tr>
<td></td>
<td>6 Implementation of sub-projects using VDG</td>
</tr>
<tr>
<td>VDF and Village Finances Management</td>
<td>1 Management of VDG bank account, disbursement, HH credits etc (incl. training)</td>
</tr>
<tr>
<td></td>
<td>2 Receive of forest and other revenues</td>
</tr>
<tr>
<td></td>
<td>3 Establish and operate VDFs (SCG)</td>
</tr>
<tr>
<td>Extension and Training Delivery</td>
<td>1 Extension needs assessment, planning</td>
</tr>
<tr>
<td></td>
<td>2 Extension and Villager training: Agricultural Livelihoods</td>
</tr>
<tr>
<td></td>
<td>3 Agricultural, livestock, agro-forestry and other production, processing and marketing</td>
</tr>
<tr>
<td></td>
<td>Community Services</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>1 Training and Establish Participatory Monitoring</td>
</tr>
<tr>
<td></td>
<td>2 Implementation of Participatory Monitoring</td>
</tr>
</tbody>
</table>

Annual and quarterly workplanning will be effected by quarterly workshops, as follows:

- Provincial ‘workplanning preparation workshop’: around 20th of last month of each quarter, over about 1 day;
- District ‘workplanning workshop’: around 25th to 30th of last month of each quarter, over 2 days per District, and includes review of activities achieved in preceding quarter;
- Workshop to finalize and compile provincial level quarterly reports, and district and provincial level workplans, during 1st week of Quarter, over about 3 days.
CONSULTATIONS FRAMEWORK,

4.1 Purpose

The SUFORD project includes villages from various ethnic groups and livelihood styles. Each ethnic group is distinctive in ways that are sometimes readily apparent and at other times not open to direct observation. One of the most important aspects of that distinctiveness is the way in which each group conceptualizes notions such as territories and forests, and their presuppositions, assumptions, and associations, or beliefs about the world, resulting in local ecological knowledge that has survival value for the group as a whole. The success of the SUFORD project depends upon the ability of the project to comprehend and learn from the people residing in the PFAs as well as the ability to communicate new ideas and concepts to villagers in ways that are meaningful and that will allow them to improve their livelihoods and well-being.

Another challenge is that the various ethnic groups will have different concepts of, for example, well-being, welfare, quality of life, wealth, poverty, and so on. The purpose of the consultation framework then is to establish a means by which insiders and outsiders can communicate and learn from each other so that in the end, villagers’ lives are improved and forests are sustainably managed in the eyes of both the project and the villager.

4.2 The WBs’ Indigenous Peoples Policy and the Ethnic Group Development Plan

The World Bank’s policy on Indigenous Peoples aims to ensure that indigenous groups benefit from development projects, and that adverse impacts are either avoided, or if unavoidable, are mitigated. The policy further requires special action in situations where Bank investments affect indigenous peoples, whose social and economic status restrict their capacity to assert their interests and rights in land and other productive resources. While no single definition can capture their diversity. In particular geographical areas, indigenous peoples can be identified by the presence in varying degrees of the following characteristics:

- a close attachment to their ancestral territories and the natural resources in these areas;
- self-identification and identification by others as members of a distinct cultural group;
- an indigenous language, often different from the national language;
- presence of customary social and political institutions; and
- primarily subsistence-oriented production.

Using these characteristics it was determined in 2002 that the World Bank’s policy applies to ethnic groups belonging to the Mon-Khmer and Hmong-Mien ethno-linguistic families present in the project areas, including the Makong (Brou), Pacoh, Katang, Tri, Souay, Ta Oy, and Brao (Lavé). For the new project areas, more ethnic groups will be added including, but not necessarily limited to Harak (Alak), Tarieng, Ngkriang (Ngè’), Khmou, Hmong and Mien. This broadens the scope considerably and will mean that more intensive efforts will have to be made in implementing a culturally and linguistically sensitive consultative participatory process.

The WBs’ IPP OD 4.20 states that “the strategy for addressing the issues pertaining to indigenous peoples must be based on the informed participation of the indigenous people themselves”, and it is also noted that, “… consultation methods (including using indigenous languages, allowing time for consensus building, and selecting appropriate venues) facilitate the articulation by Indigenous Peoples of their views and preferences.”

4.3 The meaning of “consultation”

The World Bank’s BP 4.10 refines the meaning of consultation for Indigenous Peoples as “free, prior, and informed consultation”, consultation that occurs freely and voluntarily, without any external manipulation, interference, or coercion, for which the parties consulted have prior access to
information on the intent and scope of the proposed project in a culturally appropriate manner, form, and language” and “consultation approaches recognize existing Indigenous Peoples Organizations (IPOs), including councils of elders, headmen, and tribal leaders, and pay special attention to women, youth, and the elderly;” and “…may be an iterative process, and there is a need for adequate lead time to fully understand and incorporate concerns and recommendations of Indigenous Peoples into the project design…” and “…a record of the consultation process is maintained as part of the project files.

Not only must the ethnic groups understand the project, but in order to present the project in a “culturally appropriate manner,” the project must be informed about the ethnic group. The issue of priority is important, and villagers need to have prior access to project information and time to consider and understand in order to discuss it intelligently with DAFO officials and to ask questions.

4.4 Guidelines for carrying out consultations under SUFORD

4.4.1 Staffing:
The project will ensure that technical anthropological expertise will be part of the project, including an anthropological focused NC, and TA will work closely with Lao Front for National Construction. The hire of provincial and district level persons with language and village development skills will also be effected.

4.4.2 Ongoing and linked consultations
The consultation process is a continuous on-going interaction that allows project personnel in PSFM and VD to meet and discuss frequently and to jointly participate in all aspects of the project. Time is an important consideration, and the project will budget enough time and resources to be able to interact comfortably with villagers throughout the life of the project. This will enhance the learning process by both project and villager. Villagers do not compartmentalize activities such as forestry, agriculture, religion, or development and the project should take advantage of this link is already there, to foster closer working relationships between the two aspects of the project.

4.4.3 Prerequisite Research and literature reviews
Undertaken by the anthropologist TA and LFNC personnel for each of the ethnic minority group, ethnographic information will be accessed and internalized by the project, together with original research results, in the form of guidelines, training manuals, and other materials that can be simplified and translated into Lao language. This information will include: (1) social organization; (2) religious beliefs and practices; (3) Indigenous Knowledge (IK) related to forests, ethnobiology, classification; (4) leadership and decision-making. Aside from the Katucic groups (for which project information is already available), new groups that will need to be addressed include (1) the Bahnanic groups in Attapeu and Xékong, including Brao, Tarieng, and Harak; (2) the Vietic Phong in Borikhamxay; (3) Khmou in Borikhamxay and Vientiane; (4) Hmong in Borikhamxay, Vientiane and Xaygnaboury; and (5) Iu Mien in Xaygnaboury.

4.4.4 Language:
With respect to consultation, the projects EGDP specifies that ‘a strong information dissemination program will be established…to provide project information as well as to promote transparency.’ The information will be disseminated first orally in the languages of the villages by ethnic minority staff. The media used will be a combination of modern and traditional sources depending on the access to such sources and the literacy level of the communities. Written extension materials to be developed by the project will be multi-purpose, i.e., to provide materials that cover the technical issues, but can also be used as additional reading material in the functional literacy and numeracy courses. Where feasible, in addition to text and speech, alternative medium such as pictures, visual aids, radio, video and other appropriate methods will be used, in local languages.
Where feasible, the project will train male and female villagers, with some innate potential for the task, to carry out consultations themselves. In this way the training of villagers takes place in Lao language, and consultations and information dissemination takes place in the local language. These persons can be referred to as Village Facilitators (VF).

### 4.4.5 Training of DAFO Staff

Training for DAFO staff will include (i) ethnic sensitivity, (ii) specific simplified ethnographic knowledge of the ethnic groups in the particular district, (iii) methods of training Village Facilitators to carry out participatory consultations in the village, and (iv) reporting and record keeping. The roles of the DAFO staff are pivotal and catalytic. The quality of their training is crucial since they are the officials that have the closest relationships with villagers and communities and who know and understand the SUFORD project. But through this training, the roles should be clarified and the emphasis be placed on their role as advisors to the villagers who are actually carrying out the project.

### 4.4.6 Methodologies

- Methodologies used in the consultation process need to be informed by knowledge of village social organization. In this respect the consultation process might be described as a system for finding a system that is sensitive to the cultural setting.
- Consultation is also a feedback loop. Information that emerges from the process in continually fed back into the process always evolving and adapting to a changing situation as villagers become more competent and confident in their abilities and capacity.
- Culturally important individuals should play an advisory role where possible to assist VD and Forestry staff in carrying out consultations in ways that are culturally appropriate.
- In some cases that women are more comfortable learning and discussing among themselves rather than with husbands and other men present, this will be accommodated through separate processes or in small breakout groups.
- The size and composition of the groups involved in consultations should be determined by the villagers taking into consideration the type of consultation or training being carried out.
- The methods of presentation should be determined by local tradition and in settings where villagers feel comfortable. Construction of meeting halls is desirable, but the design should be one that villagers prefer. For example an open sala-type structure where people sit in a circle might be preferable to a school-type arrangement where people sit in rows with the “teacher” at the front. Discursive methods are often preferable to lecturing.
- AV materials need to be used with care and always pilot tested for meaning before being adopted.

### 4.4.7 Record keeping

Records will be kept of the consultations, especially in terms of recording villager recommendations and preferences or decisions and agreements that can be used to improve the project overall. Although this task should fall to DAFO staff who attend as resource persons, if they do not understand the local language then he or she needs to sit with the VF and/or other competent attendees immediately following the meetings to write down the results. These should then be typed up and copies maintained in the local project office (that is, at DAFO and in the village). These records should be available for monitoring and evaluation purposes and if necessary for use in a grievance process.
5 VILLAGE ORGANIZATION AND CAPACITY BUILDING

5.1 Review and Understanding of Structure and Roles of Village Organization(s)

An early phase of the VD process (Figure 1) is the review of the organization and capacity of each village administration, as the legally mandated partner for village development in their village, and the village organization in general. This is necessary for the effectiveness of work, and projects relationship to the village. The structure of a village administration - the ‘official’ village organization - may vary from region to region, but a typical official village organization may include:

- Village Chief (elected);
- 2 Deputy Village Chiefs;
- The Party chief, who may often be the village chief
- The Economic committee, often headed by a deputy village chief;
- The Village accountant and/or cashier, who may be a part of the economic committee
- The Defence and order committee, often headed by a deputy village chief, and which include the village police and village militia;
- The elders group
- The Lao Women’s union, and the Lao Youth union groups

In addition, other staff seen as important include teachers, health staff, the village veterinarian, and the forestry extension worker etc.

In addition, ethnic villages may have indigenous forms of village organizations, key persons or functions - such as indigenous leaders or decision makers, religious practitioners, clan leaders, etc, - that may not be included in the formal village organization. Gaining a clear understanding of these informal organizations and key persons, in each type of ethnic groups is challenging, but should be effected by reference to ethnographic studies and by making enquiries, in each village in a culturally sensitive manner.

In terms of the role of these official and unofficial organizations or persons, in relation to Village development, responsibility for socio-economic planning and development of a village is the responsibility of the Village Chief, and then the village economic (development) committee, usually headed by a deputy Village Chief. These roles and responsibility are encapsulated in two Government legal instruments, as follows;

(a) The Decree 102/PM,1993 on the "Organization and administration of villages" specifies the role of the village chief to include:

- Management, maintenance and preservation of land, forests, streams, aquatic and wild life; … schools, hospital and other public assets located within the area of their villages;
- Coordination with technical personnel … for the collection of statistics;
- Formulation of village development plans, guiding the population to implement economic construction plans; develop agro-forestry production, handicraft, infrastructure; and,
- Report the results of village activities to the district chief on a regular basis and responsibility before the supervising district chief.

And specifies the role of the Economic (Development) committee to include;

- Mobilizing and encouraging the agricultural and forestry activities: plantation of crops, fruit trees; forestation, preservation of forest, forest reserves…;
- Manage and gather statistics on the results of production, business and other income of the village on a regular basis;
- Manage and gather statistics on different economic organizations, such as: shops, trade
units, services, commercial production, etc; and
- Promote and organize vocational groups and protect their rights and interest.

(b) The "Law on Local administration of the Lao PDR", Law 47/NA/ dated 21-10-03 states that;
- The role(s) and functions of each village administration include the implementation and management of the socio-economic development plans for the village; and,
- The village administration meetings will review socio-economic development plans for the village, investment projects in the villages, and proposals for creation or abolition of units in village organization (which may be required by the SUFORD project, for example).

The role in village development, of the indigenous or ethnically specific organizations and key persons in village, will be ascertained on a case by case basis.

Thus, in at least their initial work with a village, the DAFO staff will;
- Step (i): enquire about the current official structure or organization in the village, and names of all persons;
- Step (ii): enquire about indigenous or ethnic structures, organizations and persons;
- Step (iii): make a clear organization chart of all village organizations and key persons, and discuss.

5.2 Strengthening of the Village Organization:

Based on the understanding of village organization and key persons (see above), the village and GoL staff must jointly decide if the village organization requires strengthening in order for it to effectively cooperate in the PSFM and VD activities of the project. This will be effected by VDU staff asking the general meeting of the village if they think the VA or the VO needs strengthening, especially in relation to Village Development and management of Village Funds.

Such a query must be facilitated by VDU staff. For example, if the VDC is either (a) not formed, or (b) not active, then the VDU staff could suggest that it needs it be formed, or the ‘village economic committee’ be strengthened. In addition, if not proposed by villagers themselves, VDU staff will propose formation of the village fund management unit, and public information unit or officer, as detailed below. The role of elders, and the role of other indigenous key persons in the village organization must be also clarified, and suggested to be strengthened.

In ethnically mixed villagers, the role of ethnic groups in the village organization, and the role of women, will be clarified, and in both cases staff should suggest that these be strengthened, where appropriate.

In summary, while the project has a concept of what would be the best village organization for the purposes of village development and management, the initiative for modifying and/or strengthening the village organization should come from villages, if such a village organization is to be sustainable.

Not only the structure of the village organization but also the designation of persons to these positions will be reviewed. The VDU staff will facilitate a discussion and development of an action plan of how the capacity of the village organization needs to be strengthened, as detailed in section 5.3 below.

5.2.1 Village Development Committee

As explained above, the VDU staff will suggest that either (a) a VDC is established, (b) an existing VDC may need strengthened, or (c) the legally mandated ‘economic committee transformed into a VDC. It will be explained that members of this VDC would usually be those in the official village
organization, but if any villages or ethnic groups have other persons who traditionally are important in planning or management of ‘development’, then these should be included, or even lead, if possible and appropriate, the VDC.

### 5.2.2 Village Fund Management Unit

Participating in a project like SUFORD, in which both the PSFM and VD sub-components includes financial management, requires considerable skill. VDC members are often older, less educated persons, who may not have sufficient basic skills for these tasks. Thus, VDU staff will propose that a Village Financial Management Unit is formed, supervised by the VDC, but including the more literate and numerate persons in the village, which could include younger school age persons, teachers, etc.

### 5.2.3 Public Information Unit, or Officer

It will be proposed that the village appoint a Public Information Unit, or Officer, to handle and disseminate the considerable number of documents and information that the SUFORD project will provide, over the course of the project, to participating villages. In addition, villagers need to have access to more information from the larger national community in these times of rapidly changing socio-economic environment. Members of this PIU will be responsible for information dissemination in two broad ways:

(a) oral dissemination: explaining to the village community, in their local language if required, the basic contents of plans, documents, information bulletins etc; and

(b) ensuring that the key documents, plans, maps, information bulletins, market reports etc, are posted in a public and visible place - such as the village notice board or the village meeting/training hall.

The PIU, or Officer, should obviously be literate, multilingual in cases of ethnic villages, and have some document and paperwork management skills. They could be any person(s), ranging from the village chiefs, teachers, thru to monks or younger persons. The two ‘staffing’ issues are (a) are there such persons in the village, and (b) how can some form of remuneration for services rendered by made available to them.

### 5.2.4 Village Forestry Organization (VFO)/Village Forestry Committee (VFC)

A village forestry organization is formed in each participating village as mandated under PM Decree 59/2002 and MAF Regulation 0204/2003. It is the authorized organization of villagers in a village to participate in the management of forests under the village’s responsibility and chaired by the village chief. A VFO consists of: (a) the general VFO membership comprising villagers who voluntarily sign in as VFO members and (b) a set of officers who together constitute the Village Forestry Committee (VFC). A VFC consists of the VFO chairperson, deputy chairperson, village foresters, accountant, and secretary. There should be at least a woman member of the VFC. Except for the VFO chairperson, who is currently the village chief, the other VFO officers should be elected by the VFO members. Village PSFM teams are subsequently formed to take charge in the implementation of specific PSFM activities e.g. forest inventory, pre-harvest inventory etc. The list of VFO officers together with the VFO operating rules are forwarded by the village chief to the district chief (thru DAFO head) for confirmation.

### 5.2.5 Water user group, water retention weir O&M group

In the case where there is an irrigation system in the village that requires operation and/or maintenance, water user groups are often formed to manage and maintain the systems. In the case that a village level (as opposed to household level) water retention weir is constructed (usually only from earth), they usually need O&M. Thus, a weir O&M committee is required to be formed and operational, mainly to protect the earthen weir, and its outlet, from erosion etc.
5.2.6 **Producer groups**

For certain commodities or activities, the formation and operation of Producer Groups may be useful. If large enough, these groups can be recognized as co-operatives. In general, the formation of producer groups is most beneficial where or when the creation of such groups could result in efficiencies and/or financial savings by, for example:

- Collective purchase of inputs; and
- Collective marketing of products.

In addition, some other activities, such as collective trialing of improved or new techniques, collective participation in and recurrent training program, would also justify, in the eyes of the villagers, the formation of producer groups.

5.3 **Capacity building for VD Planning and Management**

As a general rule, and especially in the more isolated villages participating in the SUFORD project, villagers responsible for village development and financial planning and management have low capacity to undertake these jobs. Thus, for VD to have good and sustainable progress, the village organisation and key staff must be assisted to develop at least a moderately capacity and skills level.

There are various types of “capacity” that may require developing, such as:

- **organizational capacity**: the way that the human resources in the village work together;
- **skills capacity**: the ability of the human resources to undertake their allocated tasks;
- **responsibilities and rights capacity**: understanding the village legal rights and responsibilities, and responsibilities in relation to the Project; and
- **physical capacity**: the facilities available to the village organization.

5.3.1 **Organizational capacity**

Organizational capacity depends on the way that the village organisation, its committees and ‘staff’ are assigned and strengthened, as outlined in sections 5.1 and 5.2 above. Ways to facilitate improvements in village organizational capacity - besides clarifying roles and responsibilities, and skills and physical capacity as below - includes (i) training on how to conduct meetings, (ii) staff conducting meetings in an exemplary manner and (ii) proposing a schedule of village meetings relevant to the activities being undertaken in the village.

5.3.2 **Skills capacity**

The skill required by the “village organization” in order for it to effectively plan and manage village development and village finances include:

- **Language** skills: the ability to read and write well;
- **Numeracy** skills: the ability to add, subtract, divide and multiply, and to use relevant tables effectively.
- **Paperwork handling** skills: the ability to organize and file paperwork, logically; and
- **Office management** skills: the ability to organize an office.

Firstly, staff should assess the current level - in regard to these skills - of assigned staff. The villagers will be requested to devise a strategy to address weaknesses, to improve these skills. If villagers have difficulties in devising this strategy, then staff should assist. This strategy will be used, or confirmed, in a later, villager ‘training needs assessment’.

5.3.3 **Responsibilities and rights capacity**

Village participation in a project such as SUFORD requires them to deal with a considerable number of documents, guidelines, regulations, a multitude of financial paper work, etc. Thus, the project will draft and publish all of the relevant documents in villager-friendly handbooks, and provide recurrent
training in the same. In addition, a range of GoL Laws, Regulations, directions etc relate to village development and administration. Thus, the project will ensure that villages have:

(a) a copy of all the relevant Laws, regulations etc, and/or
(b) a summary information booklet explaining key aspects of the relevant laws, regulations etc.,

5.3.4 Physical capacity(‘facilities’)

The physical facilities that should be available to ensure that the village administrations have the tools and the enabling environment to plan and manage VD and PSFM are of 2 general types, consumables and permanent.

❖ ‘consumable facilities’ refers mainly to office tools and/or stationary such as:
   • large arch folders
   • smaller paper or plastic files, envelopes
   • staplers and hole punchers
   • pens, pencils, rulers
   • larger record books, and smaller not books
   • white boards or similar

❖ ‘permanent facilities’ refers mainly to:
   • a village meeting and training hall, with office attached
   • a village notice board (in the absence of a meeting hall)
   • a village safe (cash box)
   • other furniture

These facilities are so important for effective and sustainable management of the village, by the village, that one precondition for the release of the VDGs is the construction, or agreement to construct, and on-going operation of either;

(a) a village meeting/training hall and office; or
(b) a village notice board.

5.3.5 Objective, function, construction and management of the village hall

The participatory construction, maintenance and operation of a village meeting/training hall and office - Samosorn Ban - can be a useful tool in village development management. The meeting/training part of the building can be used for all types of events, by any stakeholder or party. The office is likely split into two rooms, (i) the general village admin office, and (2) the village fund and finance office. The hall and office are part of the same simple building. A section of the wall is used as the village notice board. Information that can posted and updated includes (a) village meeting notices, (b) GoL notices, (c) project notices, (d) village accounts and project accounts, (e) forest management plans, harvests and regulations, (g) the basic VDP, (f) notices of sale (a type of marketplace), etc.

Without such a Samosorn Ban, most information is only known, in any meaningful level of detail, by the village administration. Thus, the hall/notice board gives all villagers an opportunity to know about issues relating to the village, and as such are a vehicle for transparency and inclusiveness.

The construction of the Samosorn Ban will be a joint effort, with ‘contributions’ from both the villagers and the project or GoL. The villagers would provide most or all or the wood, and the labour for construction, while the project will provide funds to purchase necessary materials from the markets such as sand, cement, nails, tin roofing etc.,
The Samosorn Ban will be kept in clean and usable condition, and animals kept out. The office will be kept tidy and organized, by relevant staff.

The effective and ongoing management and use of a public notice board - separate or preferably attached to the office - is essential for the long term benefits of the notice board to be realized. The village administration will nominate two persons to be responsible (the PIU), and their duties will include:

- Post up all and every notice as required;
- Remove notices which are no longer valid;
- Replace notices which are still valid, but no longer reliable; and
- Ensure the maintenance of the physical state of the notice board.
6 VILLAGE DEVELOPMENT PLANNING: PROCESS AND PARTICIPANTS

6.1 Village development planning objectives and process
The objectives of village development planning include:

- To set up an appropriate village development plan and a target of poverty reduction;
- To provide a guide to the implementation of development activities which are effective in meeting the local needs; and
- To improve and develop the capacity of the village organization in their mandated role of responsibility for village development planning and management.

Participatory village development planning is the process of villagers examining and analyzing their current situation and future potential, and then finding solutions to solve problems and identifying possible ways to realize their potential. VD planning depends on four main factors:

- Data and understanding of current socio-economic conditions, constraint, opportunities etc;
- Villagers’ participation and ownership of the process;
- Technical assistance and facilitation from extension or other District staff; and
- Making consensus on village situations such as problems, strengths, limitation and villagers’ need for development, leading to a consensus on the village development plan.

The main VD Process steps for the formulation and drafting of a village development plans include:

i. Basic socio-economic data collection;
ii. Identification and then analysis of village problems and opportunities;
iii. Forest and Land use zoning and planning;
iv. Understanding of District and GVD development plans; and how these would relate to the village;
v. Understanding of any current or recent past VDPs in the village;
vi. Developing and drafting of the VDP; and then
vii. District review and approval of the VDP.

6.2 Participants and Stakeholders in the VD Planning Process
The main participants and stakeholders in the Village Development Planning include;

(a) relevant District offices, and there staff, such as:

- District Agriculture and Forestry Office: takes a leading role in the promotion and support to agriculture, forestry, livestock and fishery based livelihood in the villages.
- The District Governors Office: concerned with the approval of village development plans and monitor/coordinate the overall implementation of approved plans.
- The District Planning Office (DPO): concerned with the overall integration and coordination and approved district development plans, and with socio-economic data.
- The District data and statistics unit (in the DPO): concerned with the collection, compilation and analysis of socio-economic data.
- The Integrated Rural Development Office: concerned with planning, monitoring and coordinating rural development and rural finance projects.
- District Education office, and District Health and Sanitation Office.
- The Lao Women’s Union Office, and The Lao National Front for Construction office.
(b) Village Administration, relevant officers and committees and advisors

As explained in section 5.1, the leading role in village development planning is legally mandated to be undertaken by the Village chief, and his/her 2 deputies, and the village economic development committee - which is often headed by the village chief and/or deputy. In addition, it is best to ensure that all members, committees etc of the full village organization are fully involved. In addition, the rest of the village population should also involved, and the level of attendance of other villagers required in VD planning meetings is generally based on the following rules:

(a) at least 60% of the villages’ Households are represented at the meetings-workshops; and
(b) at least 30% of the meetings/workshop participants are women.

7 VD PLANNING: DATA COLLECTION, SITUATION ANALYSIS

7.1 Baseline socio-economic data collection

Planning for village development should take, as one starting point, an understanding of the current socio-economic status of the village. Table 3 below lists the 4 dataset tools used to gather data on village socio-economy, and details on the ‘relative’ wealth status of its population and commercial NTFPs. The gathering of this data is explained fully in the “Process Guideline for Participatory Village Socio-Economic Data Collection and Appraisal”.

Table 3: Socio-economic data and information gathering tools

<table>
<thead>
<tr>
<th>Tools/data set</th>
<th>Methods</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data/Info Tool 1: Village Profile</td>
<td>Semi-structured Interview with full VA, VDC and key villagers. Takes about 2 to 4 hours. May need extra time to gather missing data.</td>
<td>Village Profile, per village. Folio of VPs at DAFO and/or District governors office. Each villages’ data compiled into a District “database”</td>
</tr>
<tr>
<td>Data/Info Tool 2: Households wealth status</td>
<td>List and allocate village households into to 3 categories. Takes about 1 hour (depending on size of village).</td>
<td>List of all HHs, in three categories Summary data for inclusion in village profile, above</td>
</tr>
<tr>
<td>Data/Info Tool 3: Households rice sufficiency</td>
<td>List and allocate village households into to 3 categories. Takes about 1 hour (depending on size of village).</td>
<td>List of all HHs, in three categories Summary data for inclusion in village profile, above</td>
</tr>
<tr>
<td>Data/Info Tool 4: Commercial NTFP Profile</td>
<td>Facilitated group discussion, especially of villagers that collect main NTFPS. Takes about 2 hours.</td>
<td>A report containing (a) list all NTFPs sold, and (b) details on the main commercial NTFPs - generally 3 to 6 types.</td>
</tr>
</tbody>
</table>

7.1.1 Data/Info Tool 1: Village Profile: a snapshot of Socio-Economic Status

The VDU staff will facilitate the village meeting in disclosing village information based on a standard set of queries and formats to record the response. Information to be gathered (mainly socio-economic indicators) in this village profiling exercise includes:

- Demography, ethnicity and religion;
- HH wealth status and rice sufficiency;
- Specification of the village organization, and office bearers - refer to organization chart;
- Main occupation and main, ranked income sources;
- Listing and details of other projects - past and present - in the village;
- Education facilities, data on students and teachers, and adult literacy;
- Health and sanitation and domestic water supply;
- Communication and transport;
- Trading, business, service and handicrafts;
- House types, and holdings of key goods and chattels;
- Village finances: info on any funds, SCGs, revolving funds, village bank account etc;
- Land use and production;
- Livestock holdings and production;
- Forest product collection, use and sale; and
- Forest business activities.

In addition to the above, data from the 3 other detailed dataset tools (wealth, rice sufficiency and NTFPs) will be summarized into this village profile. Some information may be readily available and provided to VDU staff, while for other info sets, the village administration may ask for more time to gather, calculate or compile.

7.1.2 **Data/Info Tool 2: Wealth Ranking of households**

Family wealth ranking involves evaluating the wealth of each family by placing families in one of three or four wealth/poverty categories (wealthy, average, poor, and very poor) based on a village consensus principle which allows the meetings participants to judge the wealth and arrange each household into an appropriate wealth category. Family wealth ranking must be based on the actual conditions of each village. Thus, the family wealth ranking process involves:

- **Step 1:** The VDU staff explains the purposes and objectives of family wealth ranking.
- **Step 2:** The VDU staff facilities the villagers to list down the various conditions or indicators which would mean that a family is either wealthy, medium or poor.
- **Step 3:** The Village Administration prepares a full list of family names.
- **Step 4:** The VDU staff then reads out the name of each family, and the meeting decides jointly where to put that family. The wealth category into which a family is agreed to be placed by the meeting will represent the wealth level of that family.
- **Step 5:** Summarize the wealth data thus far collected in order to show a clear picture about wealth status, and re-insert this into the Village Profile.

7.1.3 **Data/Info Tool 3: Rice sufficiency ranking of households**

Based on the same general list of all households in the village, each family is asked to declare for how many months (in an average year) it has sufficient rice - or for how many months it is deficient. In general, there are 4 categories: (i) full rice self sufficiency, (ii) insufficient rice for up to 3 months per year, (iii) insufficient for 3 to 6 months, and (iv) lacking rice for more than 6 months.

7.1.4 **Data/Info Tool 4. Commercial NTFPS Profile**

A specific workshop is held to elicit information on NTFPs of main commercial importance, or with potential. This information will assist to identify those NTFPs which could or should be included in the VDP. Firstly, the meeting will be asked to name all those NTFPs which are gathered for sale, and the approximate number of households engaged in this, for each NTFP. The meeting is then asked to name the most important 10, or so. These are then subjected to a paired ranking exercise (based on commercial importance), and the most important 4 or 5 are them subject to the next step. The second step then gains detailed info on each of the main commercial NTFPs, following the specified format, which includes provision for recording information such as (see section 15);

- The part collected, the method of collection and the place or type of forest collected;
- The time and duration of collection, the organization of collection;
- Its abundance, in the past compared to present, and specification of any management rules;
- the no. of HHs collecting, and average (or range) collected per HH per year (in local measurement units if appropriate), and then amount collected in the village; and
- The relative % sold and % consumed, and details on any processing undertaken;
The place sold, the buyer, average price, and approximate income per HH and per village.

7.2 Village Problem Census and Analysis

This information is gathered via a type of PRA, a participatory review and analysis of village livelihoods and development problems, as follows:

a) Based on a large ‘village situation analysis’ or a ‘problem census’ table format (posted on the wall), the VDU staff query villagers about their resources and living conditions. One way to elicit ideas is to compare their village current situation with the past and potential future.

b) Queries, and responses, should cover both positive and negative aspects, so that the data collected covers strengths and weakness, easy aspects and difficulties, and potential etc.

c) Staff must be diligent, thinking, but unbiased in recording villagers’ answers.

d) Where possible, problem-solving measures which will be proposed in the forms of activities.

e) After reaching consensus, the meeting moderator will summarize the meeting outcomes, and confirm with the participants the accuracy of such outcomes. If the outcomes are found incomplete, the meeting moderator has to seek additional information or change some concepts and information as needed.

7.3 Compilation, computerization and use of socio-economic data

All the data gathered by the use of the socio-economic data and information gathering tools (table 3 above) is computerized. This will allow printing and use of the data on a regular, or as needed basis. The village profiles data is actually held in 2 formats, the first format is the actual format in which the data is collected in the village, resulting in a separate Village Profile for each village. The second format is the merging of all village profiles into a multi-village database. This database can be considered as the projects’, or a Districts, baseline socio economic database.
8  

VD PLANNING: PARTICIPATORY LAND USE ZONING AND PLANNING

8.1 Objectives

Participatory Land Use Zoning and Planning - LUZaP - is a process which is still undergoing development and modification, aiming to improve its effectiveness and appropriateness in terms of both (a) the geographic and agro ecological situation of any particular village or region, and (b) the dynamics of the socio-economic climate in the Lao PDR.

The general objective and rationale for FLUZaP is:

- to delineate and organize land for production for villagers, for them to manage, expand and use in a productive and sustainable manner;
- to identify the types, and delineate the areas of forests for villagers to manage and use in a productive and sustainable manner;
- to ensure the protection of production forest resources; and
- to provide the framework for, and to facilitate the step by step reduction of forest slashing for upland cropping, eventually leading to the complete cessation of shifting cultivation.

Positive impacts of well conducted LUZaP should include;

- the development of the understanding and the skills of GoL staff, especially DAFO staff, in their task of working with villages to manage and develop forest and land resources; and
- the provision to villagers with a practical and legal framework for productive land tenure, thus encouragement to make more investments into sustainable and productive land uses.

8.2 Role of LUZaP in VD

The forest and land use zoning map, developed during the LUZaP process, should have 2 temporal components; (a) current forest and land use map and data, and (b) planned or future forest and land zones and land use plan, assuming certain scenarios of agricultural systems development, land development, forest management and regeneration, and population growth. The zones should provide information and guidance as to where productive land is, or could be developed, such as land for wet rice paddy, for cash cropping, for industrial tree plantations, for grazing, etc. This information will then be critical for the village development planning process.

In the case of SUFORD, forest and land use planning is conducted to the level of zonation, and the allocation of these zones to the village. The further step of formal land allocation to households will be undertaken, if/as required, under the direction of the Land Management Authority. Thus, the general role of LUZaP in relation to VD is summarized in Figure 2 below.

Figure 2: The general place of LUZaP in relation to VD

The premises on which village LUZaP is based include:

- The allocation of formal community rights to manage, use and protect various forest areas within village management areas;
• LUZaP can be expanded to cover a cluster village network, the GVD, or sub-FMA;
• Agricultural land areas should be adequate for present and future population’s, and were possible, aggregated into zones for development;
• Existing well stocked forest areas should be maintained and protected as PFAs;
• Decisions have to be made about areas of degraded forests: basically, as to whether they should be fully converted to agriculture, grazing, agro-forestry or plantations, or should they be restored to productive natural forests, and thus form part of the PFA zone; and
• The steps in LUZaP process may be phased over time to enable villagers to adjust, or undertaken in one village first, then expanded to other villages in the group.

8.3 The Process of Land Use Zoning and Planning
The LUZaP process is detailed in the relevant (new) guideline. The activities or steps undertaken during in any particular village will vary, and needs to be flexible, depending on, for example, planning already undertaken, indigenous forms of land management, and the agro ecological and forest types in the area. The main steps may include;

a) Preparation: Staff, Villager and GVD orientation.
b) Establishing the Village and GVD LUZaP committee.
c) Gaining an understanding of indigenous land management and historical change mapping and trend analysis: This provides guidance into the zoning, and is necessary to identify areas where and why forest degradation has occurred, and to construct a better understanding of land use change within the participatory land use planning process.
d) Village boundary delineation: can be done via maps, satellite images and use of locally understood land or other features, rather than GPS.
e) Current forest type, land use and land cover mapping: participatory delineation of areas villagers currently use for cropping and other activities, areas of functional forest and those degraded. It incorporates local knowledge of current and planned land use. Effected by the use of computer based, supervised satellite image interpretation, followed by detailed villager participatory mapping and field checking.
f) Socio-Economic Analysis and estimation of future production land requirement: assesses the current and likely future land requirements for cropping, livestock, households, infrastructure and forest for the village population based on a 20-year horizon and determines whether a “conservation” or “development” focus will be applied for the village forest zones.
g) Forest and Land Zoning: focuses on conservation of medium and good quality forest (for PFA or village forest), while identifying areas with potential for current or future use for villager livelihoods. Areas which are being progressively degraded or developed and either (a) decided to be regenerated as ‘production forest’ or designated for potential future development as cropland, plantation land or community use.
h) Village Forest and Agricultural Land Management Agreements.
i) Installation of markers on the boundary of keys zones, in key locations.

8.4 Village Networking
Where feasible, land use zoning and planning could be done at GVD level, or at least individual village zones and plans merged to form the GVD forest and land use zone and plan. In addition, each village forest and land use committee could be facilitated to form a GVD landuse network, the objective of such networks being:
• To solve inter-village boundary conflicts and land use infringements between villages;
• To implement village forest and agricultural land management agreements more effectively;
• To ensure that there is consistency in forest and land use zones along village boundaries;
• To transfer forest and land use experiences and lessons from one village to another;
• To reduce the risk of illegal exploitation of village forest resources by outsiders by strengthening co-operation and surveillance by village LUP/LA committees and communities;
• To share village livelihood development initiatives; and
• To reduce staff workload.

8.5 Mapping - the essential tool and result of LUZaP
The production, wide dissemination, and use of clear maps is essential for sustainable LUZaP and the effective management and protection of village land use in an environment of competing land use interests. Satellite data such as SPOT 5, 10m MS combined with 5m or 2.5m panchromatic, provides a very effective and time saving tool for participatory mapping in the village and field, in parallel with supervised computer interpretation (ERDAS, or PCI, for example). The final maps produced must be printed in multiple copies – at either village or GVD level - and the distributed to key stakeholders, as shown in the table below. These maps are the basis on which the district and/or province formally allocate the land and land/forest zones to each village and GVD.

Examples of how LUZaP maps are useful to different stakeholders

<table>
<thead>
<tr>
<th>PAFO, DAFO</th>
<th>GVD Level</th>
<th>Village Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Workshops</td>
<td>• Village network, GVD meetings</td>
<td>• Village land use meetings</td>
</tr>
<tr>
<td>• Briefing senior visitors</td>
<td>• Promoting network land and forest management</td>
<td>• Villager awareness training</td>
</tr>
<tr>
<td>• Briefing private or company interests</td>
<td>• Inter-village conflict resolution</td>
<td>• Compliments Village Land Use Agreements</td>
</tr>
<tr>
<td>• Project exchange visits</td>
<td></td>
<td>• Promotes village land and forest management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Village conflict resolution</td>
</tr>
</tbody>
</table>
9 VD PLANNING: THE VILLAGE DEVELOPMENT PLAN

Following the collection of socio-economic data, HH wealth ranking, analysis of problems and potential, and a review of the village forest and land use zones and plans, the District VDU staff guide the village organization and community in drafting a 5-year village development plan (VDP).

9.1 Linking with District and GVD development plans, or existing VDPs

Firstly, VDU staff will liaise with Districts agencies to obtain information and an understanding of the Districts development plans, to which the VDPs will be linked or harmonized. These plans should be committed to computer and used as a basic guide by VDU staff in their work with villagers. Similarly, if a GVD has specific development plans, then these should be computerized and used by staff as a guide in their work.

A village may already have a VDP, either formal or informal, and which may or may not be used by the GVD or the District. In such a case, the existing VDP will be reviewed, and will be the basis or starting point for any further village development planning facilitated by the Project.

9.2 Linking the VDP with the forest and land use zones and plan

Areas to be developed for permanent agriculture, for rotational cropping, for annual grazing, for tree plantations etc, as zoned for in the LUZaP process, or at least those areas that hope to be developed over the 5 year timeframe of the plan, will be a key feature of the VDP. Any development possible in those areas zoned as village use forests or NTFP regeneration areas will also be in the forestry section of the VDP.

9.3 Developing the VDP with Villagers

The usual way to develop a VDP is to conduct a facilitated workshop with the village community. Ideally, the workshop should be attended by representatives from at least 60% of the villages households, and of these at least 30% should be women. Guidance as to the actual structure and conduct of this workshop is provided in the relevant VD process guideline. The workshop is based around structure of the VDP table (table 5 below) with the following main topics;

- **Activities**: refers to the activities suggested by workshop participants as required for the development of the village. The tabular organization of these activities actually dictates the rest of the VDP. Thus, where feasible, the activities should be recorded and examined following ‘activity sector’ headings such as; (i) Forestry - timber, (ii) forestry - NTFPs, (iii) cropping, (iv) plantations, (v) livestock, (vi) education, (vii) health, (viii) communications, (ix) culture, (x) trading and businesses, (xi) village finances and funds, etc (see table 5).
- **Target and /or Expected outcome**: refers to a quantitative measure of implementation success of each activity. For example, an increase the paddy area by 15 hectares, develop 20 hectares of the irrigated paddy field, raising 20,000 fishes, repairing 4 school classrooms etc.
- **Participants and responsibilities**: refers to the number and type of households who would participate in the activity, and who would responsible.
- **Approximate cost**: where possible, the cost of each planned activity should be estimated.
- **Proposed source of funds**: Indicates where the implementation budget is hoped will come from, such as a project, forest revenue, villagers’ fund, private enterprise, GoL budget etc.

The VDP is not focused on a specific project (eg SUFORD), but serves as the basis for any development sector or activity in the village. To ensure that the VDP is as comprehensive as possible, reflecting the potential and requirements of a village, the VDU should present and explain to the villagers the full range of possible activities which may be considered by the village. Table 4 below is an example of a list covering most of the activities which could possibly be considered by villagers for inclusion, where/as appropriate, in a VDP. This list is printed, in large letters and pinned to a notice board for all to read. The D-VDU will develop such a comprehensive list which is appropriate and applicable to the ethnic, agricultural and development status in their area.
### Table 4: indicative list of possible activities for inclusion in the VDP.

<table>
<thead>
<tr>
<th>Type of activity</th>
<th>Examples of Activities that could be included in the VDPs</th>
</tr>
</thead>
</table>
| 1 Cropping                                   | • Rice growing (opening new fields, improved varieties, use of fertiliser)  
  • Cash cropping (opening new fields, use of improved varieties, use of fertiliser or organic fertiliser, threshing, drying, processing, trading  
  • Development of fruit gardens (cultivars, fertiliser, management techniques)  
  • Plant nurseries,  
  • Processing and marketing. |
| 2 Livestock raising                          | • Purchase of breeding stock, purchase of “improved” breeds,  
  • Village veterinary services  
  • Forage growing and production, mineral blocks  
  • Fencing, corralling, use of AI services |
| 3 Fish raising                               | • Fish pond development, rejuvenation  
  • Purchase of fingerlings  
  • Development of food sources for fish |
| 4 Forestry and natural resources             | • Planting or domestication of NTFPs at community level  
  • Planting or domestication of NTFPs at household level  
  • Management of natural regeneration, and harvesting of NTFPS  
  • Processing and marketing of NTFPS  
  • Small scale wood processing,  
  • Planting or replanting of native forest tree  
  • Industrial tree plantations,  
  • Management or protection of wildlife, or aquatic life fish reserves etc |
| 5 Irrigation                                 | • Over flow weir, water gates  
  • Water retention weirs  
  • Canals (new, or repairs)  
  • Drainage |
| 6 Handicrafts                                | • Weaving cloth, weaving bamboo/rattans, pottery  
  • Blacksmithing, tinsmithing |
| 7 Small business                             | • Trading – buying and selling  
  • Small goods shops, various types  
  • Service shops, various type. |
| 8 Access and communications                  | • Bridges, culverts, low level crossings, roads, lanes,  
  • River jetty, steps to jetty  
  • Road repairs, or enlargement. |
| 9 Markets                                    | Market construction |
| 10 Meeting hall, village notice boards       | • Meeting hall construction  
  • Village notice board construction, and management |
| 12 Health and sanitation                     | • Clinic, clinic furniture and equipment  
  • provision of medicines  
  • financial support to nurses and midwives (cash or in kind) |
| 13 Domestic water supply                     | • Well, tubewell, Spring feed systems, Rainwater collection |
| 14 Education, school, and facilities         | • buildings, furniture, and toilets  
  • equipment  
  • financial support to teachers (cash or in kind) – salary supplements, |
| 15 Adult education                           | • Literacy and Numeracy for adults |
| 16 Electrification                           | • Micro, and mini hydropower, Solar power Connection to mains grid |
| 17 Training, study tours                     | • Support experts to visit the village to provide training in specific subjects.  
  • Choice of villages to participate in study tours. |

### 9.4 Documenting the Village Development Plan

Once the village workshop(s) has been completed, the District VD staff assist the village authorities, by drafting and computerizing the VDP, in the District or GVD office, according to the following general structure;

i. Cover page, to be signed by the village chief and Deputy District Governor;

ii. Table of contents;
iii. Village socio-economic profile (see sectin 7.1);
iv. HH wealth ranking and rice sufficiency (optional - possibly only use summary in VP);
v. Statement of main economic potential of the village;
vi. Statement of main problems and/or constraints;
vii. Statement/data of the key features of the LUZaP;
viii. Tabulation of activities;
ix. Minutes of villager meeting providing consensus to the Plans (as annex); and
x. Full organizational structure of the village, with names (as annex).

9.5 Approving, dissemination and display of the VDP

Once compiled in draft form, the VDU staff will provide the draft VDP back to the village organisation, who will review it. If they approve or find it satisfactory, they will sign it. Then the VDU staff - or the village chief where possible - will present the plan to the relevant District authorities who will review, approve and countersign, as appropriate.

The approved plan should then be made in at least 4 copies: 1 copy kept by the village, one copy maintained by the GVD, one copy maintained by the DAFO and one by the District agency GC/IRDO.

The VDU staff will draft a table summary from the VDP (table 5 below) onto a large poster paper (or print directly onto large paper via a plotter/printer if available), and this poster of the VDP will then be displayed in the appropriate location in the village.

VDU staff will ensure that, if damaged or lost, this poster of the VDP is replaced.

### Table 5: Typical layout of VDP summary table to be on permanent display in the village

<table>
<thead>
<tr>
<th>Activity, in main 'sectors'</th>
<th>Target, outcome</th>
<th>schedule</th>
<th>Approximate cost</th>
<th>source of funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cropping sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Livestock sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forestry sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Village finances</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture/social</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Etc .</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
10 PLANNING VDG: SELECTING ACTIVITIES, DECIDING IMPLEMENTATION MODALITY

In the SUFORD project, participant villages are provided with a Village Development Grant (VDG), of $8000 and $4000 per village in the 1st and 2nd phase villages respectively. The challenge is to support and facilitate the villagers own decision making process as to how to make best use of this fund. This manual provides a decision making framework which can be used to assist villages to decide on fund use. Notwithstanding some specific criteria which are followed in the planning and disbursement of these IDA VDGs, the framework presented below could also be used to make decisions about the use of any funds provided to or generated by the village.

10.1 General policies and conditions for village use of SUFORD VDGs

10.1.1 Summary of SUFORD Project Policies

The provision and use of VDGs by villagers should be consistent with the following policies;

- In the case of infrastructure sub-projects, the VDG should be complemented by village contributions, either in-kind inputs, such as labor or materials equal to at least 10% of the estimated cost (excluding the cost of land), or a cash contribution;
- Decisions on how to use the VDG depends on villager consensus, although their choice should be consistent with both the village and the district development plans;
- Where possible, projects support by the VDG should benefit the general village community and majority of households, but in the latter case, attention should focus, in the first instance and where possible, on participation and benefits to poorer households;
- The VDG may be used to fund one or more sub-projects, either in full, or as partial funding matched by revenues from forestry or other sources;
- The VDG will not be disbursed block grants to districts;
- Disbursement of the VDG will be triggered by events in village level implementation of PSFM and VD, to provide incentives for completion of PSFM and VD management tasks and to integrate forest management with village development. The PSFM and VD milestones that will signal village eligibility for VD grants, are:
  - Formation of a village forestry organization (VFO);
  - Completion of village forest and land use zoning and planning;
  - Updating or development of the village development plan;
  - Drafting and approval of “VD sub-project proposal” (Model 1) of the “VDG disbursement Proposal” (Model 2);
- If villagers choose to use the VDG as loans to households for livelihood activities, then the duration of such loans should be no longer than 2 to 3 years; and
- Up to 4% of the VDG can be used for village VDG administration costs.

10.1.2 Types of activities eligible for support by VDGs.

The SUFORD project will fund, via the VDG, any activity in the approved VDP that is chosen and prioritized by villagers, with the exception of some prohibited activities (see section 10.1.3 below). Thus, the VDGs are able to fund a wide range of small activities including;

- Livelihood development activities: production and/or income generation activities - including development of paddy fields, rice growing, improved rice varieties, irrigation dams, fish ponds and fish raising, cash crops, establishing agro-forestry plantations, NTFPs’ development and processing, weaving or other handicraft projects, processing of agricultural products, small businesses and trading, large and small livestock, etc.
- Small, village infrastructure such as drinking water and sanitation systems, construction
or repair of schools and/or clinics, installation of simple village electricity systems, rehabilitation of village tracks and roads, etc.

- Community level ‘in-kind revolving funds’ such as rice banks, veterinary services, medicine chests, or ‘commodity revolving funds’ such as cattle banks, goat banks etc.

10.1.3 Types of Activity prohibited to be supported by VDGs

Those activities that are deemed to have possible adverse impacts on the environment and people, and are thus excluded from the menu of eligible project investments, include:

- New or expanded settlements in natural habitats or protected areas;
- New roads;
- Track upgrading or road rehabilitation inside natural habitats, production forests and existing or proposed protected areas;
- Gasoline or diesel generators or pumps;
- Guns, and chain saws;
- Insecticides, herbicides, pesticides and other dangerous chemicals;
- Asbestos and investments detrimental to the environment;
- Acquisition of land (purchase or lease), under any conditions or involuntary resettlement;
- Payments of salaries to government staff, or staff of government subsidized organizations, (with the expectation of supplementary stipends for teachers, which are eligible); and
- Activities unacceptable to an ethnic groups, or that have adverse impacts on ethnic minorities.

10.1.4 Number and size of activities

There is no specific policy in regard to the number and size of activities funded by VDG, although the number and size off activities will be inherently determined by;

- The overall size of the VDG allocated to each village;
- The type and cost of each activity proposal; and
- For household level proposals, if the HHs gather into activity production groups or smaller groups of people choosing a wide variety of activities.

10.2 Participatory Planning the use of VD Grants – Decision Making

An informed and equitable decision making, including the poor and an appropriate gender balance, will be followed. The VDG selection process will ensure the enhanced the participation of women, and that activities selected as priorities by women are given at least equal consideration. Villagers are also urged to consider a wide range of activities from which they may select for VDG funding.

There are two main, sequential phases or tasks in the VDG decision making process:

1: deciding on the allocation of funds to the three main activity types (infrastructure, in-kind community revolving funds, household or producer group livelihood activities); then

2: deciding on the implementation modality, particularly for infrastructure and for HH livelihood or production funds.

10.2.1 Introducing the VDG and ‘activity types’ villagers

The VDU first explains to the VA/VDC, and then to the full village meeting:

(i) the objective and main activities of the SUFORD project;
(ii) the provision and objective of the VDG;
(iii) the conditions and requirements for use of the VDG; and
(iv) the general types of activities, and the ‘financial management implication of each activity.

In relation to point (iv) above, allocation of funds to the type of activities dictates the method that the funds are managed, financially, as follows:
Funds allocated to investments in community infrastructure - “Investment in Infrastructure (IΙΙ)” will involve a once off disbursement process, and as such are termed ‘sinking funds’.

Funds allocated to establish or improve community “in-kind” revolving funds are also a type of sinking fund in that the ‘money’ invested is not re-cycled. However, the goods purchased must be recycled.

Funds to households (or groups of households or producer groups) to undertake livelihood and income generation activities. In this case, the village must decide whether to provide the funds to households (a) as a pure grant (a type of sinking fund), or (b) as a loan, whereby the recipient households temporarily use the funds for their own purposes, and then return it to the village fund (VDG-Livelihood Revolving Fund)

Funds allocated - as capital injection - to an already existing savings and credit group.

In the both the last 2 cases (VDG-LEF and VDF-VSL), on-going financial management and accounting will be required. Thus, it is crucial villagers understand these different types. To help explain, the District staff prepare, display and explain the following three large Information Posters.

**VDG Information Poster no. 1**
- The SUFORD project will give 40,000,000 kip to the village for village development.
- If the village wants the money, the village must decide how to use the money.
- The 40,000,000 kip can be used on any activity that:
  (i) is in the VDP, and
  (ii) that is chosen by the village population (at least 75% of HH represented).
- The money can be used for, or allocated to 3 main types of projects;
  1: Infrastructure projects e.g: water pump, rice store, repair school, bridge etc,
  2: ‘In-kind’ revolving funds e.g: rice bank, medicine box, village veterinary,
  3: Production or income generation activities of households or production group.

**VDG Information Poster no. 2**
- If the village allocates some VDG to infrastructure, it must decide on Implementation Modality: Option 1: District can be responsible…especially if a contractor is required.
  Option 2: Village can be responsible.
  - 2.1: if a contractor is required, then the village must sign contract, monitor and pay the money, and can they do this?
  - 2.2: if no contractor, and all work done by the village, then the village will certainly be fully responsible

**VDG Information Poster no. 3**
- If VDG allocated to (a) Households or (b) Production Group, for Production Activities, then the village must decide to provide the money as either (i) Grant, or (ii) Loan (with low interest) ??
- If decided to provide funds as Loans: then must decide between two types of credit scheme:
  Credit scheme type 1: Savings and Credit Group
  -