



**Lao People's Democratic Republic**  
*Peace Independence Democracy Unity Prosperity*

**Prime Minister's Office**  
**National Leading Committee for**  
**Rural Development and Poverty Eradication**  
**Poverty Reduction Fund**

No. 1497/PRF.11

**Cooperation and Coordination Agreement**  
**between**  
**the Poverty Reduction Fund and the Ministry of Industry and Commerce**

The Ministry of Industry and Commerce (MoIC) and the Poverty Reduction Fund (PRF) agree to explore ways and means to develop cooperation and coordination to ensure that industry and commerce contribute more and more to poverty reduction strategies especially in the remote areas.

The Ministry of Industry and Commerce's mandate is to enhance industrial and commercial activities as a dynamic force to promote development and thus contribute to eradicate poverty. The PRF is essentially concerned with improving livelihood in remote rural areas through promoting basic infrastructure within the poorest koumbans (road, health, education, irrigation, water), especially in the poorest koumban, and this, on the basis of community-identified priorities. At the same time, PRF also intervenes decisively in addressing ketsana-devasted areas, in the Southern part of the country, and manages an important pilot project on mobilizing ethnic communities for improved livelihoods and well-being. In 2010, the Government decided to make PRF its overarching Rural Development/Poverty Eradication programme.

The purpose of this agreement is to prepare the grounds for enhanced cooperation and coordination between the MoIC and the PRF in view of improving rural livelihoods by joining their actions wherever possible. Indeed, rural infrastructure, especially roads and irrigation, favour production and market access which in turn enhances industrial and commercial activities.

The following initiatives are jointly encouraged by MoIC and PRF:

1. To ensure coherence and cooperation at the national level, MoIC and PRF will hold regular meetings to exchange information on areas of common interest, in particular, with regard to the pilot project on mobilizing ethnic communities for improved livelihood and well-being where nutrition and market production play an important role, but also to MoIC's and PRF's priorities in remote areas.
2. To facilitate regular contacts between PRF and MoIC, MoIC will design the Permanent Secretary to the Ministry as the focal point for all contacts with PRF. Providing information on PRF's koumban plans and MoIC initiatives in those areas is but a first step in increasing cooperation.
3. The meetings can be proposed by MoIC as well as PRF as soon as there is a felt need and will explore possible common interest in promoting trade and commerce activities especially in koumbans where access infrastructure are rapidly advancing.
4. MoIC will encourage its local offices at provincial and district levels to actively participate in koumban/district meetings organized by PRF to bring their insights and suggestions and propose possibilities of collaboration to create synergy. Areas of cooperation and

coordination that will be systematically explored including training activities in variety of fields such as marketing, food preparation, handicrafts, etc.

5. MoIC, already a standing member of the National Leading Committee for Rural Development and Poverty Eradication (NLCDRPE), will in future participate in all technical meetings organised by the NLCDRPE regarding cooperation and coordination in matters of rural development and poverty eradication.
6. The PRF will inform MoIC on the progress of its access-investments in those koumbans where MoIC is likely to intervene (expanding trade activities through production and marketing of commodities for which there is a demand; market consolidation; encouraging of small trade; capacity building; providing information on products that can be marketed such as handicrafts, specific crops, textiles, etc.).
7. The PRF will invite MoIC's provincial and district offices to participate in relevant koumban planning meetings to present their ideas and explore potentialities of cooperation.
8. In case it is needed, the PRF can provide per diems and cover transportation costs for MoIC involvement at local levels (participation in meetings, etc.).
9. MoIC and PRF will duly inform local authorities about any joint planned undertakings, and koumban leaders will be briefed on how things will proceed.
10. An efficient reporting system is an integral part of this agreement. The national level must know what happens at the local levels. For this reason, both PRF and MoIC at local level will regularly inform their central level about any initiatives jointly undertaken locally.

This Agreement is but a first step, and will be revised and improved, in case the need arises. The National Leading Committee, the Ministry of Industry and Commerce, and the Poverty Reduction Fund are committed to do their best to honour this agreement and to constantly try to enhance cooperation and coordination at all times at the national, provincial and district levels.

Vientiane Capital, August 1, 2011



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Countersigned:



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