

## Poverty Reduction Fund Project Lao PDR

The Poverty Reduction Fund (PRF) was established in May 2002 in accordance with the Prime Minister's Decree 073/PM. PRF project is the Government of Lao PDR's key initiative to eradicate mass poverty by 2020. **PRF Mission:** To support and establish sustainable local capacity, procedures and systems that are aligned with the Government of Lao PDR's decentralization policy and poverty reduction targets.

**The Project Development objective** is to improve the access to and the utilization of basic infrastructure and services for the project's targeted poor communities in a sustainable manner through the participation of inclusive community and local development processes.

**From 2003 to 2018**, the PRF has been considered to be one of the core instruments of the GoL to tackle local service delivery in remote rural villages in the country. The project has improved access to basic services for 1.2 million rural people through implementation more than 5,000 community infrastructure projects for 2,841 villages in the poorest 55 districts of 11 provinces, with more than 70% benefitting ethnic populations and half of them are women.

Furthermore, the PRF has also established village institutions and numerous village volunteers and leaders trained by the project that are increasingly seen by the Government of Laos and Development Partners as an effective platform to implement rural development programs. With overall external and domestic financing of US\$186.14 million proximately (Co-funded by SDC, World Bank, Australian Government, Japan and Government of Laos).

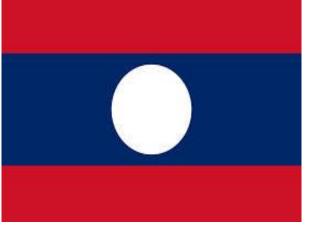
In addition, since 2012, PRF is piloting a livelihood linked nutrition component. This includes the establishment of the Self Help Groups (SHG) to strengthen social mobilization and financial management capacities, and women-led multi-sectoral village nutrition center (VNCs) for mothers to improve the well-being and nutrition status of the pregnant, lactaly women and children under 2 years old.

With more than 15 years of experiences working in the area of rural development and poverty, the PRF is considered an outstanding project that received an ASEAN Award in 2015. In light of the positive results achieved to date, the GOL has decided to continue the initiative by launching an expanded third phase beginning January 2017 for a period of 3 years with total budget of US\$ 54 million.

With the community driven development approach (CDD), communities themselves (with a strong focus on most vulnerable groups in the decision making process) will decide on how resources are allocated, prioritized their needs, plan, manage, implement, operates and maintain their own sub-projects.

## **Key principles of PRF**

Simplicity, Community Participation and Sustainability, Transparency and Accountability, Wise Investment, Social Inclusion and Gender Equality: and Siding with the poorest





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