



Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity  
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**Cooperation and Coordination Agreement  
between  
the Poverty Reduction Fund (PRF) and the Department of Electricity, Ministry of Energy  
and Mines (MEM)**

The Department of Electricity (DOE), Ministry of Energy and Mines (MEM) and the Poverty Reduction Fund (PRF) agree to explore ways and means to strengthen cooperation and coordination to ensure adequate standards regarding basic access to rural energy with a view to ever better contribute to the country's rural poverty eradication priorities, but also to explore the potential of future collaboration in various areas of power generation to improve livelihoods in Lao PDR's poorest koumbans (cluster of villages).


The PRF is essentially concerned with basic infrastructure access within poor koumbans (road, health, education, irrigation, and water) and this, on the basis of community-identified priorities, while MEM aims at exploiting and valuing the country's mineral resources, including promoting rural electrification and renewable energies in general.

Only about 5 per cent of PRF's investments are presently linked to rural electrification, incl. micro-hydropower. This is so because in the remote villages and poorest koumbans where PRF is working, basic access infrastructure is mostly lacking, including basic access roads. However, in the future, the situation will evolve and rural electrification and rural energy-generation will become more and more important. In most schools built by PRF, the needed energy is provided by solar photo-voltaic system.

DOE/MEM and PRF agree that it is important to explore future possibilities for cooperation and coordination in view of improving rural livelihoods and so achieving the Government's 2015 and 2020 objectives.

The purpose of this agreement is to prepare the ground for enhanced coordination and cooperation between MEM and the PRF to relieve poverty in rural areas. Their respective actions could indeed prove highly complementary as rural electrification and renewable energy are essential inputs for economic development.

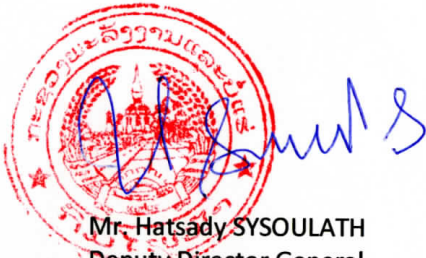
The following initiatives are jointly envisioned and encouraged by DOE/MEM and PRF:

1. To ensure coherence and cooperation at the national level, DOE/MEM and PRF will hold regular meetings to exchange information on areas of common interest, in particular, planned areas of intervention by PRF and planned DOE/MEM activities. These exchanges will explore possible supplementary interventions to enhance their synergy and cumulative impact.
2. These meetings can be proposed by DOE/MEM as well as PRF as soon as there is a felt need.
3. To facilitate regular contacts between PRF and DOE/MEM, DOE/MEM will design Rural Electrification Division (RED) and Renewable Energy Unit as its focal point for all contacts with PRF. Providing information on PRF's koumban plans and MEM planned initiatives in those areas is a first step towards increased cooperation. 

4. DOE/MEM will encourage its local offices at provincial and district levels to actively participate in koumban/district meetings organized by PRF, offering their insights and suggestions and proposing possibilities of collaboration.
5. DOE/MEM will explore the possibility of providing central resources, incl. through donor projects such as Solar Home System (SHS) and rural energy projects, to villages and koumbans where PRF is involved to increase synergy and impact on production.
6. MEM, already a standing member of the NLCDRPE Board, will in future participate in all meetings organized by the NLCDRPE regarding cooperation and coordination in matters of rural development and poverty eradication.
7. The PRF will inform DOE/MEM on the progress of its access-investments in those koumbans where DOE/MEM is likely to intervene (expanding the electricity network; small and medium-scale power generation projects; mini-power grid development in remote areas of micro-hydropower, solar and wind energy for off-grid power supply) in order to create new opportunities for villages and koumbans.
8. The PRF will invite the local MEM offices to participate in all relevant koumban meetings to present their ideas and potential cooperation and coordination. Coordinating MEM activities with PRF activities can only enhance their respective positive impact on koumban development and community involvement.
9. In case it is needed, the PRF can provide per diems and cover transportation costs for MEM involvement at local levels (participation in meetings, etc.).
10. MEM and PRF will duly inform local authorities about any joint planned undertaking, and koumban leaders briefed on how things will proceed.
11. 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 MEM at local level will regularly inform their central level about any initiatives jointly undertaken locally.

This Agreement is a first, and will be revised and improved, in case the need arises. The National Leading Committee for Rural Development and Poverty Eradication, the Ministry of Energy and Mines and the PRF commit themselves 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/koumban levels.

Done in Vientiane Capital, July 1st, 2011



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