Press release

Vientiane, 14th December 2016

**Switzerland provides 18 million USD to the Poverty Reduction Fund in Lao PDR**

Switzerland agrees to contribute USD 18 million to the Poverty Reduction Fund (PRF) to Lao PDR. Mr. Tim Enderlin, Director of Cooperation for the Mekong Region of the Swiss Agency for Development and Cooperation (SDC) and Mrs. Thipphakone Chanthavongsa, Deputy Minister of the Ministry of Finance formalized the agreement during the Round Table Implementation Meeting in Vientiane Province on the 25th of November, 2016. The renewed funding contributes to the efforts of Lao PDR to implement the National Socio-Economic Plan.

The overall goal of the Poverty Reduction Fund is to improve access to basic services for the country’s poorest communities. The goal will be achieved through inclusive community level and local development processes with emphasis on ensuring sustainability.

The PRF has two main objectives, 1) To improve delivery of public services at village level in remote upland areas, including by providing access to health and education facilities, safe and reliable water for consumption and irrigation; 2) To strengthen citizen engagement in local development and encourage the adoption of responsive and accountable participatory planning, financing and implementation approaches for service delivery.

The project is designed to increase the participation within the communities, in particular women and ethnic minorities, in local development processes and will operate in 263 Kumbans, in Huaphanh, Xiengkhouang, Luang Namtha, Luang Prabang, Oudomxay, Phonsaly, Savannakhet, Sekong, Attapeu and Salavan provinces where the incidences of poverty are high.

Each village selected for PRF assistance will receive a financial contribution between USD 35,000-50,000/year to support their community development priorities. The PRF will also continue to develop the capacity of local authorities to plan, implement and monitor local development processes in partnership with the local population.

Since 2002, the PRF, with the support of the World Bank, has established itself as the Government of Lao PDR’s main vehicle to reduce rural poverty and deliver public infrastructures in rural areas through participatory processes.

The PRF is currently the largest Community Driven Development project in Lao PDR with a total amount of about USD 80 million, co-financed by the World Bank, Australia (DFAT), Switzerland (SDC) and the Government of Lao PDR.

Since 2008, Switzerland has contributed to the budget of the PRF with a total amount of about USD 25 million. The contribution has allowed the PRF to expand its activities to new districts, to enhance the targeting towards the poorest and to promote the value of strong community participation in local development processes at community and at local and national levels of the government.

By renewing Switzerland’s support, the PRF can expect to obtain meaningful development results at large scale, to contribute to the scaling up of the PRF’s approaches into the local government’s operations and ultimately support the country’s effort to graduate from the Least Developed Country status.

**About SDC**

The Swiss Agency for Development and Cooperation (SDC) is Switzerland’s public agency for social and economic development in developing nations. In the Mekong Region, SDC’s focus countries are Cambodia, Lao PDR, Myanmar and Vietnam (CLMV).

Switzerland contributes to reducing poverty, to supporting equitable and sustainable development, and to fostering democratic governance. It strengthens CLMV governments and non-government actors in their aim to become equal and empowered partners in the ASEAN Community.

SDC has a regional office in Lao PDR since 2006, from which it manages and implements Swiss support in response to the needs of the marginalized rural poor and contributes to the country’s long term goal to graduate from the group of Least Developed Countries.