**Highlighted achievements in 6 provinces of PRF under SDC and GoL funding in 2020**

The Poverty Reduction Fund (PRF) was established in May 2002 under the Prime Minister’s Decree 073/PM. PRF project is the Government of Lao PDR’s key initiative to eradicate mass poverty by 2020. 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.

In 2020, by applying the former approach of PRF in the 6 provinces which uncovered by additional financing, those provinces (Luangnamtha, Luangprabang, Savannakhet, Saravan, Sekong, and Attapeu) have been financed entirely by SDC and the Government of Lao PDR (GOL), which is keeping on financing the traditional PRF project in developing of rural facilities as “public goods such water supply, rural road spot improvement, irrigation channel, etc.” There are 178 subprojects (SPs) financed by SDC (all sub-projects used the community force account approach or CFA[[1]](#footnote-1)) and 58 financed by GOL (LAK13 Billion). Those 236 sub-projects had been approved to establish in 232 villages in 23 districts, which aims to provide basic services better access to 137,415 beneficiaries including women (49% of the total number of beneficiaries), and 129,200 are from small ethnic groups (94%).

Due to the impacts associated with the COVID-19 pandemic, and the national lockdown between April to June, as well as the natural disaster that occurred in the southern part of Laos in 2020, causing the delay of sub-projects implementation, average progress is at 72% while in 2019 it was 100% completed in the same period. By the end of 2020, only 105 out of 236 sub-projects (44%) had been completed, 71 sub-projects are about to complete, and the remaining 60 sub-projects are expected to be completed by March 2021. Consequently, SDC approved a last 6-month extension of the current phase of PRF until December 2021, to allow the realization of the remaining sub-projects/infrastructures, and the development and smooth implementation of a sustainable exit strategy or transition period.

Under SDC funding’s SPs have applied the CFA approach, which aims to further strengthen community participation, including gender, and ethnicity inclusion, and to enable to benefit from the subproject implementation through skill development and the full amount of income earned, villagers take the lead in the sub-projects construction, using labor-based technologies. Two skilled labors of the villages which received the subproject construction were selected, and received vocational training at Provincial or District Vocational School, there are a total of 294 labors have been trained and became a village contractor to implement sub-projects that PRF support, and also other projects in their community.

1. This CFA approach foresees direct employment of local skilled and unskilled workers to carry out sub-project activities using labour-based technologies, supported by equipment where necessary. Local materials are also collected directly by the community. [↑](#footnote-ref-1)