**Achievement of Poverty Reduction Fund Project, Lao PDR**

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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. The Project Development objective is to improvethe access to and the utilization of basic infrastructure and services for the project’s targeted poor communities in a sustainable manner through inclusive community and local development processes. From 2003 to 2016, and with a total budget of US$ 125.4 million (jointly funded by SDC, World Bank, Australian Government, and Government of Laos), the project has improved access to infrastructure for well over a million rural people through implementing more than 4,700 sub-projects. About half of the direct beneficiaries are women, and ethnic minorities account for about 70 percent of project direct beneficiaries.

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 more than 13 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 (PRF III) beginning October 2016 for a period of 4 years.

***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.***

