Lao PDR: Reducing Poverty and Child Stunting in Four Northern Provinces

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VIENTIANE, December 16, 2019 ?The Ministry of Finance of Lao PDR and the World Bank today signed a Financing Agreement for US$22.5 million to reduce poverty and child stunting in 12 priority districts within the four northern provinces of Phongsaly, Xiengkhuang, Huaphan and Oudomxay. These are areas where child stunting and poverty levels are high. The agreement was signed by H.E Mr Bounchom Ubonpaseuth, Deputy Minister of Finance, and Nicola Pontara, World Bank Country Manager in Lao PDR.

The new financing, which was endorsed by the World Bank Board of Executive Directors on December 2, 2019, will support the implementation of the Government of Lao PDR?sf National Nutrition Strategy with a focus on basic infrastructure, nutrition support to pregnant women and infants, and income generation activities for food producers. The Poverty Reduction Fund will scale up implementation of these initiatives in early 2020.

?This welcome support from the World Bank is in line with the Lao Government?selforts to eradicate poverty, graduate from Least Development Country status, and reduce child stunting in some of the poorest districts in the country. The World Bank financing will help beneficiaries with improved access to small infrastructure and to produce and consume diverse and nutritious foods,? said Mr Bounchom Ubonpaseuth, Deputy Minister of Finance.
The incidence of poverty in Lao PDR fell from 45 to 23 percent between 1992 and 2013 and is projected to have further declined to 18 percent in 2019. But poverty remains high, especially in isolated rural areas and among ethnic groups. Malnutrition rates, according to the available data, continue to be stubbornly high: about 19 percent of Lao citizens are undernourished and 33 percent of children under 5 years are stunted.

“Reducing malnutrition is key for boosting human capital in the country and ensuring that young adults enjoy productive and fulfilling lives,” said Mr. Nicola Pontara, Country Manager of the World Bank in Lao PDR.

“We are pleased to scale up the Poverty Reduction Fund and look forward to seeing early results from these investments: well-fed, healthier children, better livelihoods for families and strengthened capacity among beneficiaries to plan, build and maintain basic infrastructure.”

The Poverty Reduction Fund, established in 2002, is the largest multi-sector community-driven development project in Lao PDR. The Fund initially focused on small-scale community infrastructure and capacity building for project planning and implementation. More recently, the Fund has become part of the Lao Government’s Nutrition Convergence agenda, with a renewed focus on contributing to reduce stunting among children. Some 1.2 million people have directly benefited from the Fund over the past 16 years.

The new World Bank financing comes from the International Development Association (IDA), established in 1960, helps the world’s poorest countries by providing grants and low to zero-interest loans for projects and programs that boost economic growth, reduce poverty, and improve poor people’s lives.
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