The government has told donors it will fulfil the commitment it previously gave to provide financing together with donors to fight poverty, despite the slow allocation of the budget amid a financial shortfall.

Minister to the Government Office and Chairman of the National Committee for Rural Development and Poverty Eradication (NCRDPE) Mr Bounheuang Duangphachanh reaffirmed the commitment on 14 February.

The World Bank’s Country Manager for Laos Ms Keiko Miwa led representatives of donors to call on Mr Bounheung at the Government Office when donors inquired about the financial matter.

The talks on 14 February 2014 took place after representatives of the donors and the government met recently for midterm review of the five-year poverty alleviation scheme (2011-2016) carried out by the Poverty Reduction Fund (PRF).

Almost US$ 70 million is planned to be used to finance phase II of the five-year scheme, with US$ 10 million to be contributed by the Lao government and the remainder funded by the donors that comprise the World Bank, the Swiss Agency for Development and Cooperation and AusAid.
Ms Miwa expressed concern that the slow allocation of the budget from the government side could impact the implementation of the overall phase II programme.

"We obviously do not want to see that happening," she said, calling for the NCRDPE to work with the Finance Ministry on the matter.

Mr Bounheuang explained that the slow allocation of the budget was due to financial shortfalls.

But he reiterated that the government has given priority to fulfilling the commitment it has made, despite facing financial difficulties.

"The National Assembly already approved the budget," he told the donors.

"As a government member and chairman of the NCRDPE, I reaffirm that the government will fulfill its commitment."

He added that the Prime Ministerial Decree on the implementation of the 2013-2014 socio-economic development plan clearly specified that the government has given priority to projects jointly-funded by the government and donors.

Before the talks took place, the donors? representatives visited both northern and southern provinces to see firsthand the poverty-fighting activities carried out by the PRF.

They praised the PRF performance in implementing the activities that brought concrete benefits to local villagers.

Established in 2002, the PRF has carried out community-based activities in 10 provinces covering 42 districts. The project has benefited 28,253 poor families, which make up 22 percent of total poor families in the country.
The main activities of phase II are infrastructure development and capacity building on decision making.

Officials said the PRF’s activities have significantly added fuel to the government’s efforts to reduce poor families from the current 10.57 percent to less than 10 percent by 2015.