

Innovations

The **OCISP in Oudomxay province** started by a study tour of other development projects including microfinance components in Lao PDR, in order to avoid problems and benefits from lessons learned from the start. The major findings were that projects were implemented too quickly, without a real understanding of the needs of local government authorities and beneficiaries.

The Asian Development Bank has financed a **pilot project supporting the development of Savings and Credit Unions**, with support from APB and supervision from the BoL. This project pilot tests three market-oriented, member-owned savings and credit unions in Luang Prabang, Savannakhet, and Vientiane Provinces in order to demonstrate their viability and benefits in the context of the Lao PDR.

In order to avoid disastrous effect of inflation on loan fund, the **Phongsaly District Rural Development project** set interest rates on loans based on management costs, technical support costs and inflation rate.

To replicate local revolving loan funds more quickly and more cheaply, the project in **Bolikhamxay Province implemented by Save the Children Australia and Lao Women's Union** lent funds to local communities to set up village savings and credit schemes, instead of providing only grants. The loans, repaid after two years, allowed the project to set up 7 more village savings and credit schemes.

The **Women in Development Program** in Vientiane Municipality, focused only on developing the savings capacity of women community-managed savings groups. The financial contribution of the project went only towards technical support.

Sources

- OCISP project internal documents.
- Asian Development Bank project documents