



CENTRE ON INTEGRATED RURAL
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LAO PEOPLE'S
DEMOCRATIC REPUBLIC

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Progress and Achievements
in Rural Development and
Poverty Reduction in Lao PDR

THEME 2026

“Towards Vibrant,
Prosperous and Happy
Rural Communities”



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Environment



RURAL
DEVELOPMENT



POVERTY
REDUCTION



SUSTAINABLE
AGRICULTURE



COMMUNITY
EMPOWERMENT

Commemorating World Rural Development Day 2026: Progress and Achievements in Rural Development and Poverty Reduction in Lao PDR

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The Department of Rural Development and Poverty Reduction (DRDPR) under the Ministry of Agriculture and Environment (MAE) of Lao PDR remains at the forefront of the nation's efforts to achieve sustainable development and inclusive growth. As we celebrate World Rural Development Day (WRDD) 2026, it is an opportune moment to reflect on the significant strides made in transforming rural landscapes and improving the lives of millions. Guided by the 10th National Socio-Economic Development Plan (NSEDP) and international commitments like the Sustainable Development Goals (SDGs), Lao PDR has implemented innovative strategies and projects that are reshaping the rural sector. As we know that Lao PDR is a landlocked with a population of 7.8 million. As of 2024/2025, about 15 percent of its people live below the national poverty line.

The core mission of the DRDPR is to bridge the urban-rural divide by fostering economic opportunities, enhancing infrastructure, and ensuring social protection for the most vulnerable populations. The Lao Government's approach to rural development has evolved from simple infrastructure provision to a multi-dimensional strategy that integrates climate resilience, digital inclusion, and market-linked agriculture.

In 2026, the focus has intensified on moving beyond "graduating from Least Developed Country (LDC) status" toward ensuring that the transition is sustainable and leaves no one behind. This involves a deep-rooted commitment to the **"Three Builds" (Sam Sang) directive**, decentralizing power and resources to the provincial, district, and village levels to empower local communities.

Highlight of Rural Development Projects

1. Infrastructure for Connectivity and Market Access

One of the most visible achievements has been the expansion of rural infrastructure. Recognizing that isolation is a primary driver of poverty, the DRDPR has prioritized the construction of all-weather roads, bridges, and irrigation systems.

- **The Rural Access Improvement Project:** By 2026, over 25,000 Km length of road in the rural area in Lao PDR are now connected by roads that remain passable during the monsoon season. This has drastically reduced the cost of transporting agricultural produce to urban markets and improved access to essential health and education services.
- **Irrigation Modernization:** In collaboration with international partners, the Ministry has upgraded traditional irrigation systems into smart, solar-powered networks. These systems have increased cropping intensity, allowing farmers in provinces like Savannakhet and Champasak to cultivate high-value crops during the dry season.

2. Strengthening the Poverty Reduction Fund (PRF)

Ministry of Agriculture and Environment launched a Community Livelihood Enhancement and Resilience project to improve rural livelihoods and enhance the resilience of villages that are most vulnerable to poverty, climate change, and malnutrition.

Funded by the World Bank and implemented by the government's Poverty Reduction Fund, the project, known as CLEAR, will work with around 450 rural villages and help about 216,000 people improve their income generating activities and family nutrition.

"The Poverty Reduction Fund has been leading the Lao PDR's actions on the ground against poverty for over 20 years, and is evolving into an agency managing several projects. The CLEAR initiative uses strategic plans in line with government policy and adapted to the changing rural sector, and welcomes collaboration and partnerships on this new project."

The Poverty Reduction Fund has implemented three World Bank-financed projects since 2003, and CLEAR builds on this long engagement.

"The Poverty Reduction Fund has a track record of gradual innovation, improving infrastructure for well over 1 million rural people through more than 6,000 small-scale works. By 2020, nearly 10,000 households had invested in new livelihood options through its most recent project," said Alex Kremer, World Bank Country Manager for the Lao PDR. "CLEAR will continue its well-established implementation mechanisms, investing in small-scale infrastructure such as access roads and drinking water in remote villages, and emphasizing disaster and climate resilient building standards."

CLEAR will focus on climate resilience and diversification to improve livelihood sources and diets. The project incorporates lessons learned from Poverty Reduction Fund projects, and from World Bank-financed community livelihood and climate resilience initiatives in the Philippines, Indonesia, Bangladesh, and Kenya.

The CLEAR project is part of the government's World Bank-supported nutrition convergence programme, which works with development partners to improve nutrition and food security through livelihood support, social assistance, improved access to health services, clean water, and sanitation. The project targets poor and remote districts and villages across the country, continuing the work of the Poverty Reduction Fund in the four northern provinces of Oudomxay, Phongsaly, Huaphan, and Xieng Khuang, while extending activities to three provinces in the south — Saravan, Savannakhet, and Sekong

3. KOICA Project on Rural Development

KOICA has provided a total of US\$9 million to improve the livelihoods of people in Champassak, Xekong and Saravan provinces by increasing their incomes and improving their living condition on Integrated Rural Development Project in Three Provinces of Southern Lao PDR: The intervention utilized a holistic approach, blending community capacity building and technology: Southern Agricultural Training Center (SATC): Located in Lak 35 (Itou village, Pakxong District), this facility was constructed to function as a regional hub to teach farmers modern cultivation, processing, and marketing technologies suitable for the southern climate; Economic Impact: The integration of improved agricultural seeds, rain-shield greenhouses, and better water management increased farming productivity by 42%. This helped boost average farm household incomes in pilot areas drastically; Sustainable Agriculture: The initiative provided specialized support, such as vegetable seed donations and capacity building tailored to the region; Community Empowerment: To sustain the economic benefits long after the project's conclusion, it actively trained 3,500 rural women and youth leaders.

Establishment of Action Plan for Rural Development and Income Generation in Northern and Central Region in Laos," was a major US\$12.5 million initiative running from 2021 to 2025. The flagship program was implemented by the Department of Rural Development under the Lao Ministry of Agriculture and Forestry, in partnership with the Korea Development Strategy Institute and KOICA. Key specifics of the initiative include: Target Areas: The project focused on community-led development across 14 villages in Vientiane Province, Borikhamxay, and Xieng Khuang. Key Achievements: The project completed 123 community-level projects, including upgrades to water supplies, educational and health infrastructure, and farming initiatives; Agricultural Capacity: The Lao-Korea Agricultural Techniques and Rural Development Service Centre in Vientiane was upgraded to a modern national training hub; Outcome: The intervention successfully concluded in September 2025, resulting in increased incomes, upgraded village infrastructure, and

Addressing Challenges and Looking Forwards

Despite these monumental achievements, the road ahead requires continued vigilance. The global economic fluctuations and the escalating impacts of climate change pose ongoing risks to rural stability. The DRDPR is currently aiming the 2030 Rural Transformation Roadmap, which emphasizes:

- Transitioning rural labors from subsistence smart farming to agri-business and technical services.
- Private Sector Engagement: Encouraging "Public-Private-Community Partnerships" to bring investment into rural value chains.
- Cross-Border Collaboration: Strengthening ties with ASEAN neighbors and CIRDAP member countries to share best practices in poverty alleviation.
- Sustainable development must ensure the efficient and balanced use of natural resources while avoiding depletion, adding that economic progress should also focus on human resources and improvement of people's welfare.

As we celebrate World Rural Development Day 2026, Lao PDR stands as a testament to the power of resilient planning and community-led action. The achievements of the Department of Rural Development and Poverty Reduction under the Ministry of Agriculture and Environment reflect a nation that honors its rural roots while embracing a modern, sustainable future. Through the continued support of international

partners and the unwavering spirit of the Lao people, the goal of a poverty-free, prosperous rural society is no longer a distant dream, but a rapidly approaching reality.

Lao PDR is ready to stand with CIRDAP and the international community on this World Rural Development Day. We celebrate not just our progress, but the resilience of the millions of Lao people who are the heart of our nation's development.

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