

Executive Board Consultation

Country Strategic Opportunities Programme (2026-2031) | Lao PDR

EB Consultation,
25-26 November 2025

 **IFAD | FIDA**



IFAD portfolio coverage in Lao PDR

COSOP at a glance

Duration 6 years (2026 to 2031)

Focus Areas 11 target provinces of Lao PDR

Target groups Rural smallholders engaging in farm and non-farm activities, leaving no-one behind

Goal Contribute to reducing rural poverty and enhancing rural living standards and well-being as in alignment with Lao PDR's 10th National Socio-economic Development Plan (NSDEP, 2026–2030) and IFAD's Strategic Framework

Financing* USD 47.539 million + co-financing

Estimated total outreach 53,042 households

*The COSOP will be financed under IFAD12-13. IFAD14 and IFAD15 financing amounts will be subject to the outcome of the respective replenishment process, internal procedures and subsequent Executive Board approval.

COSOP Strategic Objectives

Strategic objectives

1 **Enhance the resilience and production capacity of smallholder rural households through climate-resilient, inclusive, and nutrition-sensitive farming systems**

2 **Catalyze inclusive value chains and empower producers – especially women, youth, and ethnic groups - and agribusiness MSMEs to expand market access and drive green growth.**

Detailed approach (outcomes)

Will be achieved through:

- Improved agricultural productivity;
- Improved nutritional status of rural households, especially women and children;
- Natural resources managed more sustainably, and farming systems made more climate-resilient, contributing to increased biodiversity and reduced greenhouse gas emissions and improved ecosystem services.

Will be achieved through:

- Better physical and logistical access to markets for Agricultural Producer Groups (APGs) and agribusiness Micro, Small, and Medium Enterprises (MSMEs);
- Greater capacity and improved business linkages between rural producer organizations and agribusiness MSMEs in agricultural value chains;
- An enabling business environment supported by multi-stakeholder collaboration that promotes inclusive policies, multisectoral planning and the dissemination of market-relevant knowledge.

Key Priorities of the COSOP

Agricultural Transformation

Improving:

- Agricultural productivity
- Nutrition outcomes
- Climate resilience

Market Access and Inclusive Value Chains

- VC-market driven approach
- Strengthen linkages between rural producer groups (APGs/cooperatives) and agribusiness MSMEs.
- Develop public-private partnerships (PPPs) and multi-stakeholder platforms to connect small producers to markets.
- Encourage agriculture e-commerce, e-certification, and food safety standards in selected value chains.

Producer Organization Development

- Strengthen APGs/cooperatives organizational management and leadership
- Strengthen APGs/cooperatives financial sustainability and facilitate access to financial service providers.

Partnerships and South-South Cooperation

- Deepen collaboration with Government, development partners (IFIs, RBAs, UN agencies) and private sector.
- Pursue pragmatic, right-sized South-South and Triangular Cooperation (SSTC) initiatives aligned with COSOP priorities.



From 2025 CSPE to the new COSOP

Key recommendations from the 2025 CSPE

Rec 1. IFAD should adopt a sustainable approach to ensure continued in-country presence and engagement.

Rec 2. IFAD should take a strategic decision regarding co-financing partnership considering both coherence and potential trade-offs.

Rec 3. IFAD should redefine its approach to enhance the sustainability of farmer groups and make them more inclusive

Rec 4. The upcoming COSOP should specify the approach to climate resilience, natural resource management and the needs of those with limited land access.

Rec 5. IFAD should set up a transparent system for reporting operational costs with clear financial ceilings.

Key features of the new COSOP

→ Under the new COSOP, IFAD operates a **non-resident model with regional Country Director and delivery teams**, supported by a national coordinator in Vientiane. **Policy engagement** is pursued mainly through attendance to **Government-led sector working groups** and **UN/development-partner platforms**, with direct, regular **supervision and implementation support missions**.

→ The new COSOP aims to establish a strategic co-financing and partnership framework to leverage IFAD's resources and scale impact: (i) **ADB**, large infrastructure and irrigation investments; (ii) **WFP**, school-meal and nutrition initiatives; (iii) **FAO**, policy and ICT4D; (iv) **GIZ**, climate and environmental management. Partnerships ensure complementarity and strengthen IFAD's niche on inclusive producer organizations, value-chain linkages and access to rural finance. **Additional partnerships are being explored.**

→ The new COSOP aims to **link APGs/cooperatives to financial service providers** and village banks, **strengthen governance**, women's leadership and business planning, and **build partnerships with MSMEs** for sustainable market integration.

→ The new COSOP aims to **mainstream climate-resilient agriculture and NRM throughout the portfolio**; **promote diversified livelihoods** (small livestock, NTFPs, horticulture); and **finance resilient rural infrastructure** in collaboration with ADB, GIZ and others for adaptation and ecosystem protection.

→ The new COSOP aims to **scale up viable digital solutions to improve access to information, finance and markets** and **reinforce national M&E systems**, for example, through farmer registries (PICSA), e-payments and data platforms (PROMIS, AFN II).

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Thank You