In 2018, Lao PDR suffered its most damaging and costly floods in a decade. Heavy rains from two tropical cyclones resulted in the collapse of a saddle dam in Attapeu province, which caused flash floods. Overall, 64 people lost their lives and more than 600,000 people across the country were affected. The destruction of farms and microenterprises, along with the disruption to social services, affected income sources and increased debt levels for the 70 percent of households already in debt. Vulnerable communities were particularly affected, especially with the displacement caused by the destruction of almost 1,700 houses.

GFDRR provided a Just-in-Time grant of $100,000 to help identify priority needs following the floods, together with technical support for a government-led Post Disaster Needs Assessment (PDNA). With support from the Facility, teams from the World Bank, the UN, and EU, worked with civil society organizations to assist the government with the assessment.

With close cooperation between the partners, an assessment was completed in less than a month. The PDNA report estimated total damages of $371.5 million, equivalent to 2.1 percent of the country’s projected 2018 GDP, and 10.2 percent of Lao PDR’s annual budget in 2018. Recovery needs were estimated at $520 million, with the highest impacts identified in the transport, agriculture, and waterways sectors. The PDNA highlighted actions for improving gender equality and child protection in the recovery process.

Since the assessment, the World Bank and the government of Lao PDR have been working to implement recommendations from the PDNA. The two hardest hit public sectors were transport and waterways, making up 75 percent of total damages. To provide immediate support for recovery and reconstruction, the World Bank is providing $51 million through project restructuring and special funding from the IDA Crisis Response Window for the rehabilitation of roads and embankments. The government allocated approximately $58 million in its budget, with specific actions based on the PDNA’s findings. In addition, in line with the assessment’s recommendation, the World Bank is preparing a Development Policy Operation (DPO) with a Catastrophe Deferred Drawdown Option (Cat DDO), which seeks to advance the disaster risk management policy agenda and provide immediate liquidity in the aftermath of a disaster.