



Lao People's Democratic Republic: Flood and Drought Mitigation and Management Project

Project Name	Flood and Drought Mitigation and Management Project	
Project Number	53368-001	
Country	Lao People's Democratic Republic	
Project Status	Proposed	
Project Type / Modality of Assistance	Grant Loan	
Source of Funding / Amount	Grant: Flood and Drought Water Management Project	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 1.50 million
	Loan: Water Management Project	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 30.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Knowledge solutions Partnerships	
Sector / Subsector	Agriculture, natural resources and rural development - Irrigation - Rural flood protection - Rural sanitation - Rural water supply services - Water-based natural resources management	
Gender Equity and Mainstreaming	Gender equity	
Description	<p>The Project will assist the Lao Peoples Democratic Republic to implement its National Water Management Strategy and Action Plan 2030 in the three central provinces of Bolikhamxai, Khammouan, and Vientiane Capital. Extreme flooding in wet seasons and extreme droughts in dry seasons are taking place within the same year and areas, making it urgent to tackle them simultaneously in order to increase water supply for crop diversification and to ultimately improve nutrition. The Project has four outputs: (i) Flood water harnessed, and damages reduced, (ii) water reliability during droughts reduced, (iii) agro-meteorological systems modernized, and (iv) nutrition awareness and facilities improved. The project will support post COVID-19 economic recovery and rural resilience by (i) generating rural employment through construction; (ii) increasing incomes through the reduction of flood damages and losses and diversification into high value crops; and (iii) investing in better diets and sanitation.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Lao PDR is highly vulnerable to extreme weather events with annual expected losses ranging from 2.8% to 3.6% of the GDP. Projected increases in the incidence of extreme heat during the growing season of staple crops, such as rice, are expected to cause reductions in yields, particularly for poorer communities operating subsistence and rain-fed agriculture. Impacts of floods and droughts are further exacerbated by human activities including conversion of land use from natural conditions. Losses due to floods and droughts were highest in Vientiane Capital and Khammouan provinces during the 2018 flooding season. Flood-plain irrigations adjacent to rivers face additional risks from flooding due to the poorly regulated operations of hydro-power reservoirs. The Bolikhamxai province uplands use gravity-fed irrigation, and although command areas are smaller, they play an important role in local food security and economic growth, especially among ethnic communities. In all three provinces, the frequency of inundation constrains agriculture development through repeated damages to productive rural infrastructure, crop losses, and limited market chain development. The agrometeorological information systems are unable to produce adequate and timely data for modelling impacts and forecasting extreme weather events. Moreover, floods and droughts limit production and nutritional variety leaving many young rural people stunted due to poor dietary options which is exacerbated by lack of awareness. Malnutrition is estimated to cost the country about 2.4% of its GDP annually. The project will contribute to four operational priorities of ADB Strategy 2030: addressing remaining poverty and reducing inequalities; accelerating progress in gender equality; tackling climate change, building climate and disaster resilience, enhancing environmental sustainability; and promoting rural development and food security. It is also aligned with ADB Country Partnership Strategy, 2017-2020 and is included in the Country Operations Business Plan for Lao PDR, 2020-2022.</p>	
Impact	Financial and economic losses from floods and droughts reduced and dietary diversity enhanced.	
Outcome	Climate resilience and livelihoods of agricultural communities improved.	
Outputs	<p>Flood water harnessed and damages reduced Water reliability during droughts improved Agrometeorological information systems modernized Nutrition awareness and facilities improved</p>	
Geographical Location	Nation-wide, Bolikhamxai, Khammouan, Vientiane	
Safeguard Categories		
Environment	B	
Involuntary Resettlement	B	
Indigenous Peoples	B	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Sadeghi, Niloofar
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SERD
Executing Agencies	Ministry of Agriculture and Forestry (MAF) Patuxay Monument Naxay Village, Xaysatha District, Vientiane Capital, Lao PDR

Timetable

Concept Clearance	19 Oct 2020
Fact Finding	05 Apr 2021 to 16 Apr 2021
MRM	04 Jun 2021
Approval	-
Last Review Mission	-
Last PDS Update	20 Oct 2020

Project Page	https://www.adb.org/projects/53368-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53368-001
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