Public Disclosure Authorized

Lao PDR: Improved Access to Disaster Risk Financing (P505224)

EAST ASIA AND PACIFIC | Lao People's Democratic Republic | IBRD/IDA | Investment Project Financing (IPF) | FY 2025 | Seq No: 1 | Archived on 07-Oct-2025 | ISR05376

1. OBJECTIVE

1.1 Development Objective

Original Development Objective (Approved as part of Approval package on 26-May-2025)

To strengthen Lao PDR's financial resilience to disasters and climate shocks through improved access to pre-arranged risk financing mechanisms.

Has the Development Objective been changed since Board Approval of the Project Objective?

No

2. OVERALL RATINGS

Name	Current
Progress towards achievement of PDO	Satisfactory
Overall Implementation Progress (IP)	Satisfactory
Overall Risk Rating	Moderate

3. KEY ISSUES & STATUS

3.1 Implementation Status and Key Decisions

The Improved Access to Disaster Risk Financing project was approved on May 26, 2025, signed on July 1, 2025, and became effective on July 21, 2025. Following effectiveness, the premium was paid to the SEADRIF Insurance Company on July 30, 2025, activating the SEADRIF Lao PDR Parametric Insurance Policy (Policy No. Lao-2025-1). The policy provides multi-peril coverage against floods, tropical cyclones, earthquakes, landslides, and related hazards, and introduces an innovative impact-based trigger linked to the annual number of people affected by disasters. On September 1, 2025, SEADRIF Insurance Company made a payout of US$2 million to the Ministry of Finance after the Lao PDR National Disaster Management Office reported that more than 305,000 people were affected by multiple disaster events between May and August 2025.

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 26 May 2025	Proposed Rating
Overall	Moderate	Moderate

6. RESULTS

6.1 PDO Indicators

Indicator Name	Baseline		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Month/Year
People covered by disaster risk finance and insurance (Number of people) CRI	0	Mar/2025	0	01-Sep-2025	5,000,000	Apr/2027
	Comments on achieving targets		This indicator measures number of people covered through the purchase of insurance policy from the SEADRIF insurance Company.			
Private capital mobilized/enabled (Amount(USD))	0	Mar/2025	0	01-Sep-2025	8,000,000	Apr/2027
	Comments on achieving targets		This indicator measures private capital mobilized via re-insurance through international capital markets			

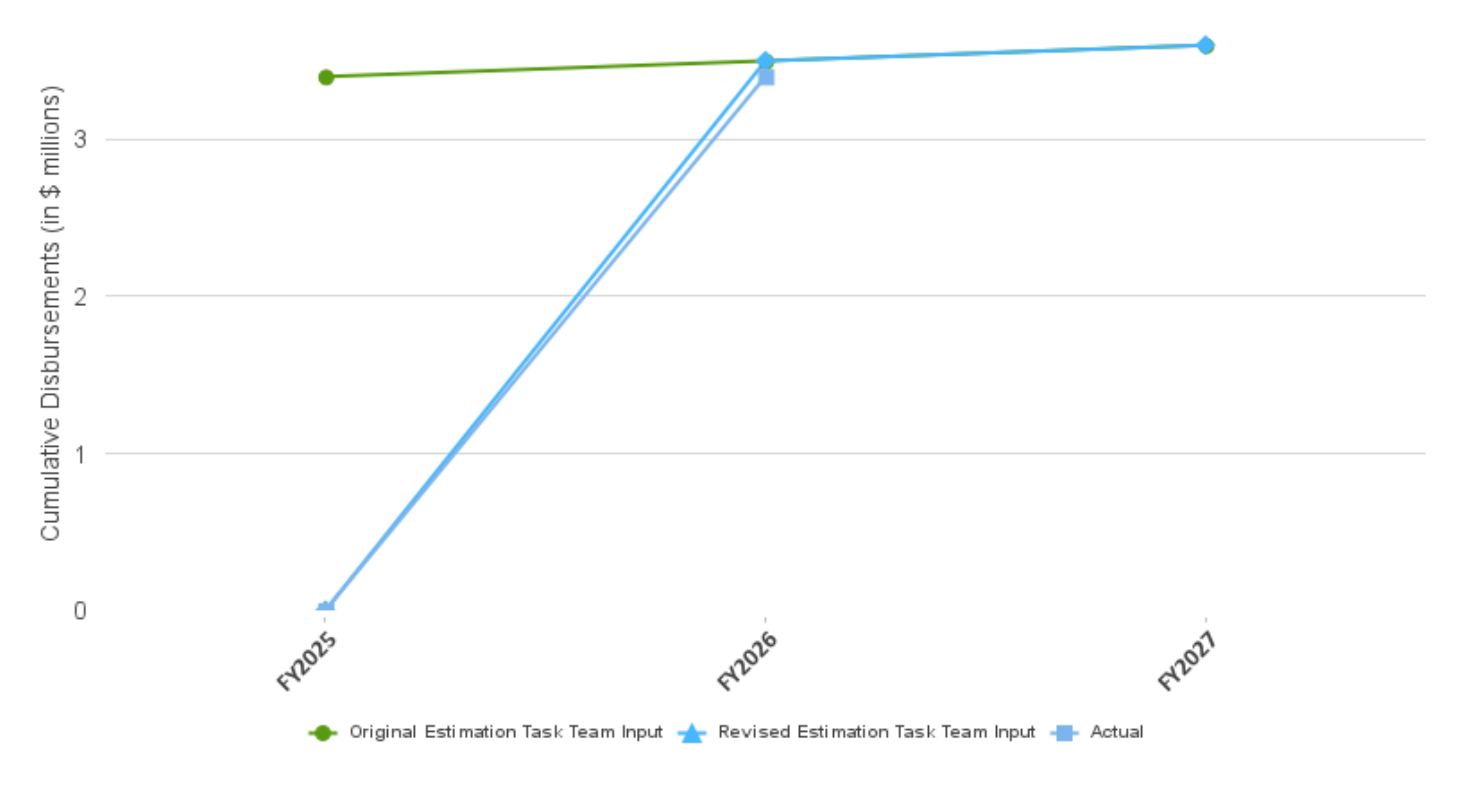
6.2 Intermediate Results Indicators

Indicator Name	Baseline		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Month/Year
Number of people who have received payouts from pre-arranged risk financing instruments/funding mechanisms (disaggregated by gender) (Number)	0	Mar/2025	0	01-Sep-2025	250.00	Apr/2027
	Comments on achieving targets		This indicator measures number of people who receive payouts in the event of a disaster.			
	0	Mar/2025	0	01-Sep-2025	100,000	Apr/2027

People using payment services (Number of people) CRI	Comments on achieving targets		This indicator measures number of people using digital payment services to receive a payout through Helping Hands or a similar program.			
Improved institutional capacity at LMOF for use of Payouts (Yes/No)	No	Mar/2025	No	01-Sep-2025	Yes	Apr/2027
	Comments on achieving targets		This indicator measures qualitative improvements in MoF's capacity to manage payouts, including associated ES and fiduciary risks.			

6. DISBURSEMENTS

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
TF-C8443	Effective	3.00	3.00	0.00	3.00	0.00	100.00 %
TF-C8445	Effective	0.60	0.60	0.00	0.40	0.20	66.67%

7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
TF-C8443	Effective	26-May-2025	01-Jul-2025	21-Jul-2025	31-May-2027	31-May-2027

TF-C8445	Effective	26-May-2025	01-Jul-2025	21-Jul-2025	31-May-2027	31-May-2027

7. RESTRUCTURING HISTORY

8. ASSOCIATED OPERATION(S)

P160930 - Lao PDR Southeast Asia Disaster Risk Management Project
P170913 - Southeast Asia Disaster Risk Insurance Facility (SEADRIF): Strengthening Financial Resilience in Southeast Asia