



Lao People's Democratic Republic: Water Supply and Sanitation Sector Project

Project Name	Water Supply and Sanitation Sector Project					
Project Number	45301-001					
Country	Lao People's Democratic Republic					
Project Status	Closed					
Project Type / Modality of Assistance	Technical Assistance					
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">TA 8150-LAO: Water Supply and Sanitation Sector Project</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 800,000.00</td> </tr> </table>		TA 8150-LAO: Water Supply and Sanitation Sector Project		Technical Assistance Special Fund	US\$ 800,000.00
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Technical Assistance Special Fund	US\$ 800,000.00					
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth					
Drivers of Change	Governance and capacity development					
Sector / Subsector	Water and other urban infrastructure and services - Urban water supply					
Gender Equity and Mainstreaming	Effective gender mainstreaming					
Description	<p>The Project will support expansion of systems by providing capital to well-performing provincial nam papas (PNPs or water supply utilities) who require financing for minor rehabilitation works to restore and improve a system's functionality and/or who have tried to access capital from commercial banks for expansion but were unsuccessful due to initial collateral requirements or repayment terms.</p> <p>The Project will also improve the health of urban residents through a focus on improved sanitation and hygiene initiatives. In 2009, the impacts from poor sanitation and hygiene had cost the economy an estimated KN1.6 trillion (\$193 million) per year, equivalent to 5.6% of its annual GDP and about KN280,000 (\$34.40) per capita per year.</p> <p>The Project will build on previous and ongoing subsector projects in Lao PDR. An external midterm review of the STWSP (footnote 6) assessed project performance against key lessons. The review found that (i) technology and design of the water supply systems have improved by adjusting to local conditions and capacity; (ii) strong Government and development partner commitment to support PNPs become corporate entities has improved their ability to sustain project infrastructure and benefits; (iii) increased community involvement in planning and design has resulted in prioritization of investments and ownership of assets; (iv) specific project intervention have helped to remove barrier to access for poor households and increase access to improved sanitation facilities. Data from an ongoing project shows that more than 95% of households in 12 towns have access to improved water supply and 97% of households had an improved sanitation facility. High coverage figures are being attributed to the project's prerequisite for households to have an improved sanitation facility in their homes prior to connecting to the water supply system.</p>					

Project Rationale and Linkage to Country/Regional Strategy

The proposed Water Supply and Sanitation Sector Project (the Project) is expected to improve utility performance and expand access to safe piped water supply and sanitation for urban residents in the Lao People's Democratic Republic (the Lao PDR). The project will be financed by a sector loan as it meets the criteria in ADB's policy for sector lending. It will be designed in accordance with the Government of Lao PDR's (the Government) sector policy and investment plan in the urban water supply and sanitation. It will contribute to the Government's sector target of piped water supply to 80% and on-site sanitation to 90% of the urban population by 2020. It will provide capital investment for infrastructure development, while focusing on sector policy improvement in the areas of corporatization, non-revenue water management, water safety plans and asset management registry. It will implement the policy reforms put in place through the Small Towns Water Supply and Sanitation Sector Project (STWSP). The Lao PDR's national water supply and sanitation targets for 2015 are 80% and 60%, respectively. Since 1995, the proportion of the 2010 population that gained access to improved water supply and sanitation increased by 36% and 50%, respectively. National coverage figures in 2010 were estimated at 67% and 63%, respectively. About 77% of the urban population in 2010 used an improved source for drinking water, of which piped services accounted for 55%. About 89% used an improved sanitation facility. Since 1990s, ADB has contributed to these national targets. ADB projects, some cofinanced by development partners, have financed about 39 new piped water supply systems and about three rehabilitated systems in the Lao PDR urban centers, improving access to nearly 300,000 people. An additional 12 water supply systems, including four systems for rehabilitation, are under construction or feasibility preparation. In 2011, the Lao PDR population was estimated at 6.385 million. About 33% was classified as urban in about 150 designated urban centers in 145 districts. The estimated per capita gross domestic product reached \$1281 in 2011. Poverty reduced to about 27.6% in 2008 and is projected to decline by 1% per annum with the current economic performance. Developing small district towns as key administrative and economic centers is an important step in improving the living conditions, strengthening the urban-rural linkages, generating employment and reducing regional income disparities. Infrastructure development and service delivery improvements in towns, particularly along the Greater Mekong Subregion transport corridors or in the vicinity of significant tourism attractions, help to transform them into economic and tourism hubs.

Impact

Project Outcome

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services A firm will be engaged in accordance with ADB Guidelines on the Use of Consultants (2010, as amended from time to time). A total of 11 positions and 40 person-months required (6 international specialists for 18 person-months and 5 national experts for 22 person-months). The firm will be recruited using quality and cost-based selection (90:10) using simplified technical proposal. Individual consultants may be hired during the TA to help complete unanticipated tasks and/or provide start-up support prior to loan effectiveness. The TA will adequately address the following aspects relating to the ensuing project: (i) detailed executing agency, and implementing agency capacity assessments, with remedial action plan to build executing agency and implementing agency capacity to minimize procurement and financial management risks; (ii) proposed or indicative loan related procurement plan with suggested level of priority or, if applicable, post review based on executing agency and implementing agency capacity assessment; (iii) indicative implementation schedule with proposed sequencing of consultant recruitment and procurement bidding and awarding; (iv) a draft project performance management system; and (v) administration of seminars and workshops.

Responsible ADB Officer Jain, Anupma

Responsible ADB Department Southeast Asia Department

Responsible ADB Division Urban Development and Water Division, SERD

Executing Agencies *Ministry of Public Works and Transport
Mr. Khamthavy Thaiphachanh, Director General
Dept of Housing and Urban Planning, Lao PDR, Lane-Xang Ave., Vientiane Lao PDR P.O. Box 206*

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	03 Sep 2012
Last Review Mission	-
Last PDS Update	28 Sep 2012

TA 8150-LAO

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Sep 2012	18 Oct 2012	18 Oct 2012	31 Dec 2013	31 Dec 2015	-

Financing Plan/TA Utilization

ADB	Cofinancing	Counterpart				Total	Cumulative Disbursements	
		Gov	Beneficiaries	Project Sponsor	Others		Date	Amount
800,000.00	0.00	0.00	0.00	0.00	0.00	800,000.00	03 Sep 2012	674,178.11

Project Page <https://www.adb.org/projects/45301-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=45301-001>

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