



## Lao People's Democratic Republic: Second Greater Mekong Subregion Corridor Towns Development Project

Project Name	Second Greater Mekong Subregion Corridor Towns Development Project								
Project Number	46443-003								
Country	Lao People's Democratic Republic								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"><tr><td colspan="2"><b>Loan 3315-LAO: Second Greater Mekong Subregion Corridor Towns Development Project</b></td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 37.00 million</td></tr><tr><td colspan="2"><b>Loan 8296-LAO: Second Greater Mekong Subregion Corridor Towns Development Project</b></td></tr><tr><td>ASEAN Infrastructure Fund</td><td>US\$ 10.00 million</td></tr></table>	<b>Loan 3315-LAO: Second Greater Mekong Subregion Corridor Towns Development Project</b>		concessional ordinary capital resources lending / Asian Development Fund	US\$ 37.00 million	<b>Loan 8296-LAO: Second Greater Mekong Subregion Corridor Towns Development Project</b>		ASEAN Infrastructure Fund	US\$ 10.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration								
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development								
Sector / Subsector	<b>Water and other urban infrastructure and services</b> - Other urban services - Renovation and protection of cultural heritage - Urban flood protection - Urban solid waste management								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	The Second Greater Mekong Subregion (GMS) Corridor Towns Development Project (the project) represents the second phase of the ongoing GMS Corridor Towns Development Project in Cambodia, Lao PDR and Viet Nam. It supports the first four strategic thrusts of the GMS Strategic Framework 2012_2022 namely (i) strengthening infrastructure linkages; (ii) facilitating cross-border trade, investment, and tourism; (iii) enhancing private sector participation and competitiveness; and (iv) developing human resources. The focus on corridor town development follows an approach that will maximize the economic benefits of increased trade and traffic flows along the major transport corridors in the GMS with the expected positive impacts resulting from accelerated investments in strategically located towns and cities, and added value on economic growth through development oriented on green growth and climate resilience. The objective is to strengthen competitiveness of the GMS economic corridors through environmental infrastructure.								

Project Rationale and Linkage to Country/Regional Strategy	Towns along the North-South Economic Corridor (NSEC) which links Lao PDR with People's Republic of China (PRC), Thailand and Myanmar are well positioned to serve as dynamic centers of investment and economic growth. The strategic location of the corridor towns provides the stimulus for increased trade and investment. Access to markets will provide many incentives for local economies in the hinterlands of the corridor towns. Given these development opportunities, and with the rapid growth of the urban population and expansion of these areas, several corridor towns are now facing demands for urban infrastructure and essential support services. Two project towns in Lao PDR along the NSEC, which traverses the region from the city of Kunming in Yunnan Province of the PRC to Bangkok, Thailand, were selected as project areas on the basis of their economic potential, environmental infrastructure constraints and expressed commitments. Houayxay is a medium-sized town and the administrative capital of Bokeo Province in the north-western part of Lao PDR and lies in proximate distance to the country's border with Myanmar and Thailand. Luang Namtha Town is the administrative capital of the Luang Namtha Province in the north-western part of Lao PDR bordering PRC and Myanmar. Luang Namtha Town is strategically located in proximate distance to the Lao PDR-PRC border. The project is in line with the ADB Country Partnership Strategy for Lao PDR; ADB's Urban Operational Plan which encourages economic competitiveness of cities, green development, and inclusive growth; the GrEEEn Cities Approach, which has been piloted in several cities in Viet Nam, Thailand, Myanmar, Malaysia, and Indonesia; ADB's Water Operational Plan; the GMS Strategic Framework; and the GMS Regional Investment Framework Implementation Plan (2014-2018). The towns under this project were selected and prioritized under the GMS Regional Investment Framework, as towns that are both localized within the GMS economic corridors and directly contribute to economic and urban development.
Impact	Maintain economic growth, achieve poverty reduction targets, ensure sustainable development, and support regional integration in the towns of Houayxay and Luang Namtha (Seventh Five-Year National Socio-Economic Development Plan, 2011_2015)

## Project Outcome

Description of Outcome	Improved urban services in Houayxay and Luang Namtha
Progress Toward Outcome	

## Implementation Progress

Description of Project Outputs	<p>The SLEDPs developed</p> <ol style="list-style-type: none"> <li>2. Priority urban infrastructure investments implemented</li> <li>3. Institutional capacities for managing public investments strengthened</li> <li>4. Community awareness of project activities and environmental sustainability improved</li> </ol> <p>Priority urban infrastructure investments implemented</p>
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

## Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	The project is classified as Category B for environment in accordance with the ADB's safeguards policy statement (SPS) 2009. One initial environmental examination (IEE) report and two environmental management plans (EMPs) (one per town) have been prepared.
Involuntary Resettlement	The safeguard category for involuntary resettlement is B. Two resettlement plan (RPs), on per town, are prepared for components which will trigger land acquisition and resettlement (LAR) impacts.
Indigenous Peoples	Indigenous peoples safeguards are not triggered by any project component in Houayxay or Luang Namtha, and the safeguard category for indigenous peoples is C in accordance with the requirements of the SPS (2009).

## Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

The Ministry of Public Works and Transport (MPWT) will be the executing agency (EA) for the project, through the Department of Housing and Urban Planning (DHUP). It will provide for overall policy guidance and oversee implementation in accordance with the objectives and scope of the project. Under DHUP, a project coordination unit (PCU) will work as the technical team and will liaise closely with project implementation units (PIUs) to be established at provincial level. The PIUs will work through the provincial Department of Public Works and Transport (P-DPWT) and will report directly to the DPWT Directors in each town. The Implementation Agencies (IAs) will be the P-DPWT. A Central Project Steering Committee (CPSC) will be established and will be chaired by a Vice Minister from MPWT and will include representation from other key ministries and provincial administration. Two Provincial Project Steering Committees (PPSCs) will be established, each chaired by the Vice Governor and including representation from other key provincial departments and district administration.

## Business Opportunities

Consulting Services ADB-funded consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).

Procurement All procurement under the ADB loan will be in accordance with ADB's Procurement Guidelines (2015, as amended from time to time)

## Responsible Staff

Responsible ADB Officer	Kamal, Sameer A.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Urban Development and Water Division, SERD
Executing Agencies	<i>Ministry of Public Works and Transport Dept of Housing and Urban Planning, Lao PDR, Lane-Xang Ave., Vientiane Lao PDR P.O. Box 206</i>

## Timetable

Concept Clearance	01 Jun 2015
Fact Finding	21 May 2015 to 27 May 2015
MRM	21 Aug 2015
Approval	13 Nov 2015
Last Review Mission	-
Last PDS Update	19 Aug 2015

## Loan 3315-LAO

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Nov 2015	18 Dec 2015	16 Mar 2016	30 Jun 2021	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	42.00		Cumulative Contract Awards			
ADB	37.00		13 Nov 2015	2.91	0.00	8%
Counterpart	5.00		Cumulative Disbursements			
Cofinancing	0.00		13 Nov 2015	1.02	0.00	3%

## Loan 8296-LAO

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual

13 Nov 2015

18 Dec 2015

16 Mar 2016

30 Jun 2021

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Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	10.00	Cumulative Contract Awards			
ADB	0.00	13 Nov 2015	0.00	0.76	8%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	10.00	13 Nov 2015	0.00	0.26	3%

Project Page <https://www.adb.org/projects/46443-003/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=46443-003>

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