

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) is a major contributor to the urban and water supply sector in the Lao People's Democratic Republic (Lao PDR). Other development partners active in the sector include the Japan International Cooperation Agency (JICA), the Export-Import Bank of China, Korean International Cooperation Agency, Neighbouring Countries Economic Development Cooperation Agency (NEDA) of Thailand, SNV Netherlands Development Organization, the World Bank, the World Health Organization, and the Agence Française de Développement.

2. Besides financing urban infrastructure projects, there are a number of technical assistance projects focusing on capacity development, urban planning, legislation, and codes and standards. These are supported by various partners, including JICA, Norwegian Agency for Development Cooperation, and ADB. Recent initiatives and projects in the urban development and water supply and sanitation subsectors are shown in the table below.

#### Major Development Partners

Development Partner	Project Name	Duration	Amount (million)
<b>Urban Sector Development</b>			
ADB	GMS East–West Economic Corridor Towns Development Project	2012–2019	\$40.8
ADB	Pakse Urban Environmental Improvement Project	2012–2018	\$27.5
JICA	Project for Improvement of Solid Waste Management in Environmental Sustainable Cities	2014–2015	\$13
World Bank	Building Resilience to Natural Disasters	2012–ongoing	\$0.9
JICA	Urban Water Environment Improvement in Vientiane Capital	2014–2017	\$2.5
<b>Water Supply and Sanitation</b>			
ADB	Small Towns Water Supply and Sanitation Sector Project	2009–2015	\$23
ADB	Water Supply and Sanitation Sector Project	2013–2022	\$35
JICA	Thakhek Water Supply Development Project	2012–2015	\$20
KOICA	Water Supply Development Project in Xay Town, Oudomxai Province	2012–2014	\$3
China Exim Bank	Dongmakkhai Water Supply Development Project	2012–2015	\$88.1

ADB = Asian Development Bank, China Exim Bank = Export-Import Bank of China, GMS = Greater Mekong Subregion, JICA = Japan International Cooperation Agency, KOICA = Korean International Cooperation Agency.  
Sources: ADB; Government of the Lao People's Democratic Republic, Ministry of Public Works and Transport, JICA

## **B. Institutional Arrangements and Processes for Development Coordination**

3. The Infrastructure Technical Working Group oversees coordination in infrastructure development. The group is chaired by the Minister of Public Works and Transport, and includes representation from the Ministry of Public Works and Transport's departments (including the departments of housing and urban planning, roads, inland waterways, and transport and finance) and other key ministries (including the Ministry of Planning and Investment, and the Ministry of Finance). The group is co-chaired by ADB, the Embassy of Japan, and the World Bank. Active since October 2011, the group meets two times per year. Under the Water Supply and Sanitation Sector Project ADB is supporting regular meetings of a subgroup on urban development, and of a subsector working group on water and sanitation. This project will seek to enhance partnerships and collaborations with partners through updates and interactions at the Infrastructure Technical Working Group subgroup meetings.<sup>1</sup>

## **C. Achievements and Issues**

4. Experience gained from completed ADB-financed urban sector development projects has led the project to adopt the following lessons: (i) design a strong capacity building component for local authorities, including a focus on revenue improvement and operation and maintenance of urban infrastructure; (ii) select qualified project management consultants who are familiar with local rules and regulations; (iii) consolidate civil works into larger packages to promote efficiency and attract suitably qualified contractors; (iv) allocate sufficient funds for contingencies that arise due to high price escalation and possible design changes; and (v) take advance action for land acquisition and resettlement to facilitate project implementation by optimizing time spent on consultation and agreement with affected households

## **D. Summary and Recommendations**

5. As a lead partner in the sector, ADB will continue to play a convening role and to engage development partners through the Infrastructure Technical Working Group as well as the Greater Mekong Subregion program.

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<sup>1</sup> ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Grant to the Lao People's Democratic Republic for the Water Supply and Sanitation Sector Project*. Manila.