



Project Summary Information

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Project Name	National Road 13 South Extension Improvement and Maintenance Project
Project Number	P000618
AIIB member	Lao PDR
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation
Status of Financing	Under Preparation
Objective	To enhance domestic and international connectivity by improving the road condition, safety, and climate resilience of critical sections of the National Road 13.
Project Description	<p>The proposed project will support the improvement, rehabilitation and maintenance of 50 kilometers (km) of the most critical section of the National Road 13. It comprises upgrading of 20 km of the road from two to four lanes and rehabilitating of 30 km of the existing two-lane road.</p> <p>The road improvement and maintenance will be carried out through a 10-year Output- and Performance-Based Road Contract (OPBRC) under the Design, Build, Maintain, Operate, and Transfer (DBMOT) method for achieving sustainable and cost-effective road asset management.</p> <p>The proposed project will also support capacity-building activities to strengthen MPWT staff's capacity in road asset management, including designing and implementing OPBRCs, and in road safety and climate resilience practices.</p> <p>AIIB has participated in NR13N (KM12-KM70) and NR13S Section 3 (KM190-KM268) financing. When all AIIB financed civil works are completed, the proposed project, located in the middle of the NR13N and NR13S, will become a bottleneck due to a lack of significant design and capacity improvements, consequently adversely impacting the social benefit of two ongoing projects. Also, this 50-km section is crucial to obtain improved travel conditions all along the NR13 and provide improved regional connectivity and further development in Lao PDR.</p>
Expected Results	a. Reduced travel time;

	<p>b. Road safety: increase in average International Road Assessment Program (IRAP) star rating of the project road;</p> <p>c. Climate resilience: project road upgraded and improved with climate resilience measures.</p>
Environmental and Social Category	Category B
Environmental and Social Information	<p>Applicable Environmental and Social Policy. AIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs), and Environmental and Social Exclusion List (ESEL), is applicable for the proposed project. ESS 1 (Environmental and Social Assessment and Management), ESS 2 (Involuntary Resettlement) will apply to the proposed project. Applicability of ESS3 will be assessed following the environmental and social assessment.</p> <p>E&S Categorization and Rationale. Based on the available information, the project has been identified as Category B on the basis that the anticipated Project Environmental and Social (E&S) risks and impacts will be both localized and of a temporary nature and can be mitigated through effective E&S management.</p> <p>Environment and Social Aspects. The proposed project is expected to create positive impacts on the environment by reducing emissions and noise, as the road will be in a better condition and less congested. The number of road incidents or accidents is also expected to be reduced. Additionally, the project is expected to generate largely positive social benefits for the local population, including improved travel conditions and better road safety, as well as reduced transportation costs, travel time and congestion, in addition to improved health outcomes due to long-term reduction in noise and dust.</p> <p>The adverse impacts of the proposed project will mostly be construction-related environmental, social, health and safety impacts, include noise, dust and gas emissions, disposal of solid and hazardous wastes, water contamination, siltation of water bodies, blockage of drainage, soil erosion and contamination, and removal of vegetation, caused by various construction activities, as well as traffic disruption, and Occupational Health and Safety (OHS) risks for the construction workers. The risks would be similar during the maintenance works. Gender-sensitive and community-sensitive measures will be identified to prevent the risk of gender-based violence and potential negative impacts caused by the influx of migrant workers in the community. These impacts will be addressed in the ESIA. The ESMP will include mitigation measures for the identified risks and adverse impacts. In addition, the ESMP will include a monitoring plan, environmental code of practices, reporting mechanism and roles and responsibilities of the key institutions for its implementation.</p> <p>MPTW prepared a Resettlement Plan (RP) and an Environmental and Social Impact Assessment (ESIA) including an Environmental and Social Management Plan (ESMP) for the proposed project in 2019. MPTW is updating the existing RP and the ESIA based on new census and socio-economic surveys, to address the potentially negative E&S impacts of the</p>

	<p>proposed project. In addition, an Ethnic Group Engagement Plan (EGEP) will be prepared for this project if any ethnic minorities are determined to exist in the area.</p> <p>Stakeholder Consultation and Information Disclosure. Consultations will be carried out during the conduct of ES studies, development of the EGEP (if any ethnic minorities are determined to exist in the area) and update of the ESIA and RP. The draft ES documentation will be disclosed timely in English, Lao and the relevant indigenous language(s) as appropriate, both online and also made available in hard copy in the project area. The documents will also be posted on the client's and Bank's websites.</p> <p>Project-level Grievance Redress Mechanism (GRM). A multi-tier GRM has been in operation at the village, district, province, and national levels for the NR13N and NR13S projects financed by AIIB and will be improved upon to be implemented under the proposed project. Communities and individuals who believe that they are adversely affected by the project may submit complaints to the project-level GRM. The information of the GRM will be disseminated timely together with AIIB's Project-affected People's Mechanism (PPM) in the disclosure of ES documentation.</p>			
Cost and Financing Plan	<p>Project Cost: USD 72 Million</p> <p>Financing Plan:</p> <ul style="list-style-type: none"> • AIIB: 40 million • Abu Dhabi Fund for Development (ADFD) (Co-financier): 20 million • Government of Lao PDR (GoL): 12 million 			
Borrower/Investee Company/Counterparty/Guaranteed entity	Lao People's Democratic Republic			
Implementing Entity/Sponsor	Ministry of Public Works and Transport, Laos			
Estimated date of loan closing	June, 2029			
Contact Points:	AIIB	ADFD	Borrower	Implementation Organization

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Date of Concept Decision	15/Feb/23			
Estimated Date of Appraisal Decision	July 2023			
Estimated Date of Financing Approval	November 2023			

Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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