Early Warning System

ADB-46293-003

Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

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Quick Facts

Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	U
Voting Date	2014-09-08
Investment Amount (USD)	$ 40.00 million

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Project Description

DESCRIPTION

The project will remove physical and capacity constraints impeding tourism development in Champassak, Khammouane, Luangprabang, and Oudomxay_four provinces situated astride the GMS Central Corridor. It will contribute to the creation of 27,000 tourism-related jobs in the Lao PDR by: (i) paving 70 kilometers (km) of rural roads to open new areas for private tourism investment and improve access to markets and social services for 15,000 people; (ii) improving environmental services in areas important for cross-border tourism to reduce public health hazards for 35,000 residents and 2.4 million annual visitors, beginning in 2019; and (iii) facilitating business support services for at least 500 small and medium-sized enterprises.3 The project will strengthen regional cooperation and integration by implementing regional tourism standards, promoting multicountry tour circuits, and supporting structured policy dialogue to reduce nonphysical barriers to travel. The project investment plan is in line with the GMS Tourism Sector Strategy,4 and the government's National Tourism Strategy, 2012_2020.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Regional context. Among country groupings in Asia and the Pacific, the GMS has a strong comparative advantage in tourism as a result of its diverse cultural and natural assets, good international air and land transport connections between gateway destinations, and surging demand for intraregional leisure travel. International tourist arrivals are growing by 12.4% per year; in 2012 arrivals reached an all-time high of 44.8 million, and generated $44.3 billion in receipts. Tourism supports 7 million jobs and creates positive economic impacts in other service and productive sectors. About one-third of international arrivals visit at least two countries while travelling in the GMS and millions of residents cross borders each year for day trips. GMS countries are eager to strengthen subregional tourism cooperation and recently reaffirmed their commitment to promote cross-border tourism under the GMS Economic Cooperation Program Strategic Framework, 2012_2022.6 Nevertheless, underinvestment in public infrastructure beyond the major gateways remains a critical constraint that restrains expansion of private tourism enterprises and dispersal of benefits to less-developed areas.

National priorities. The Lao PDR received 3.33 million international tourists in 2012, a 22% increase over 2011, but accounting for less than 8% of GMS arrivals. Travel and tourism contribute 5.3% of gross domestic product and support 134,000 jobs, equal to 4.5% of total employment.8 The government's National Tourism Strategy is consistent with the GMS Tourism Sector Strategy, which prioritizes transport and urban infrastructure upgrades, education and training, and policy enhancements to improve the business enabling environment. The 2005 Tourism Law provides the legal basis for the strategy, setting out the parameters for creation of a sustainable tourism industry that contributes to national development and strengthens international cooperation. Strategic objectives are to: (i) generate employment and income for local people, (ii) strengthen tourism destination management, (iii) expand public_private cooperation in tourism, and (iv) diversify tourism products and services. The estimated cost of the government's investment program for tourism between 2011 and 2015 is $118 million.

Key issues. Although the Lao PDR has many cultural and natural tourist attractions with good development potential, tourism is highly concentrated in Vientiane Capital, which accounts for 43% of international arrivals and 47% of hospitality investment. Women comprise about half of tourism workers; however, many are employed in low-skill, low-wage jobs, and are underrepresented in tourism management. The key impediments to more inclusive and geographically dispersed growth are insufficient last-mile transport infrastructure in secondary destinations; weak market linkages between the tourism industry

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Investment Description

- Asian Development Bank (ADB)

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Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

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Bank Documents

- Climate Change Resilience Measures [Original Source]
- Consultation and Participation Plan [Original Source]
- Contribution to the ADB Results Framework [Original Source]
- Country Economic Indicators [Original Source]
- Development Coordination [Original Source]
- Economic Analysis [Original Source]
- Financial Analysis [Original Source]
- Gender Action Plan
- GMS Tourism Infrastructure for Inclusive Growth Project: Audited Project Financial Statements (14 Ja [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Chom Ong Cave Access [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Chom Ong Cave Access [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Chomphet Heritage Di [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Khammouane Province [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Khammouane Subprojec [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Khammouane Subprojec [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Luang Prabang Provin [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth - Lao PDR: Xang Cave Access Imp [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project: Gender Action Plan [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project: Procurement Plan [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project: Project Administration [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project: Project Data Sheet (La [Original Source]
- Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project: Report and Recommendat [Original Source]
- Indigenous Peoples Plan [Original Source]
- Initial Environmental Examination: For the Project [Original Source]
- Initial Environmental Examination: Khammouane Subprojects [Original Source]
- Initial Environmental Examination: Luangprabang Subprojects [Original Source]
- Initial Environmental Examination: Oudomxay Subprojects [Original Source]
- Institutional Analysis and Arrangements for Operation and Maintenance of Project Facilities [Original Source]
- Lessons From Past Greater Mekong Subregion Tourism Projects [Original Source]

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Other Related Projects

- ADB-46293-004 Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project