Early Warning System

AIIB-000066

Lao PDR: National Road 13 Improvement and Maintenance Project

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Quick Facts

Countries	Laos
Financial Institutions	Asian Infrastructure Investment Bank (AIIB), World Bank (WB)
Status	Approved
Bank Risk Rating	A
Voting Date	2018-09-01
Borrower	Government of Lao PDR
Sectors	Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 40.00 million
Loan Amount (USD)	$ 40.00 million
Project Cost (USD)	$ 128.00 million

Project Description

According to the AIIB website, the objective of the project is "to improve road conditions, road safety and the climate resilience of National Road 13. The road design will also be strengthened to meet ASEAN standards." The National Road 13 (NR13) North-South corridor (1,500 km) links the northernmost province of Luang Namtha (bordering China) through the capital city of Vientiane and all the way to the southernmost province of Champasak (bordering Cambodia).

The Project consists of the following components:

Component 1: Road Improvement and Maintenance. This component will finance road improvement, maintenance and land acquisition required for road works, including: (i) upgradation of 18 km of road section from Sikeut to Songpeuay Market (km 12 to km 31) from 2 to 4-lane road; (ii) improvement of 38 km of road section from Songpeuay Market to Phonhong (km 31 to km 70) along the existing 2-lane road; and (iii) land acquisition required for road works.

Component 2: Supervision and Capacity Building. This component will support supervision of road improvement during construction and post-construction period, environment and social monitoring, capacity building on OPBRC, traffic safety enhancement and preparation for future investments on other sections of NR13.

Component 3: Project Management. This component will support project management, including project management consultancy, monitoring and evaluation, financial audits, training, vehicle and office equipment and incremental operating costs.

The project will be co-financed with the World Bank and will apply the World Bank's Environmental and Social Safeguard Policies. According to the AIIB's Project Summary Information, this project will trigger the World Bank's Safeguard Policies that are triggered under the proposed Project are Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Physical Cultural Resources (OP/BP 4.11) and OP4.12 Involuntary Resettlement.

The main social issues identified by initial bank documents are:

"The Project will result in land acquisition, disruption of agricultural and lvelihood activities, and relocation of residential and commercial structures, primarily due to the upgrade from 2 to 4-lanes. The Project's main social issues relate to the impacts of land acquisition, disruption during construction (restrictions on access to properties/schools and other buildings along the alignment, interruptions to water and power supply) as well as the potential influx of workers. The ethnic groups who live in villages along the route, may be disproportionately impacted."

The Project implementation period (Start Date - End Date) will be August 2018 – May 2023.

The estimated date of board consideration is in September 2018.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)
- World Bank (WB)

AIIB loan: $40 million USD

World Bank IDA credit: $40 million USD

Nordic Development Fund: $9 million USD

Government of Lao PDR: $38.5 million USD

Contact Information

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ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides “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 the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.” Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html.

Bank Documents

- MPWT website: ESIA documents - resettlement, ethnic groups engagement plan
- Project Document
- Project Summary [Original Source]

Campaign Documents

- Learn more: This project is tracked by AIIB Watch.

Other Related Projects

- WB-P163730 Lao National Road 13 Improvement and Maintenance
- AIIB-000618 Lao PDR: National Road 13 South Extension Improvement and Maintenance Project