Early Warning System

AIIB-000700

Lao PDR: Thanaleng Dry Port

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Quick Facts

Countries	Laos
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	B
Borrower	Thanaleng Dry Port Sole Co. Ltd., Mark Luvant
Sectors	Transport
Investment Amount (USD)	$ 10.00 million
Loan Amount (USD)	$ 10.00 million

Project Description

According to the AIIB website:

The objective of the Project is to promote cross-border trade of Lao PDR with its neighboring countries such as Thailand and China.

The project involves financing of development, construction and equipment cost of the Thanaleng Dry Port (dry port) being developed by the Thanaleng Dry Port Sole Co. Ltd. (TDP Co. or the Project Company), in Vientiane, Lao PDR (Project). The Project is an integral part of the Lao PDR government's efforts to transform the land-locked country into a land-linked country. The dry port is strategically located within one km from the Lao PDR-Thailand Friendship Bridge over the Mekong River, the main cross-border trade point between Lao PDR and Thailand and serves as an international border checkpoint and cargo terminal. It is next to the terminus of the Lao PDR-China railway line which has been operational since December 2021. The Project will facilitate trade flows between; (i) China-Lao PDR bilateral trade, (ii) Thailand-Lao PDR bilateral trade and (iii) China-Thailand (via. Lao PDR) transit trade. The Project is expected to offer access to advanced logistics services including multimodality, trans-shipment and value-added services with potential cost and time savings. The Project has been partially operational since December 2021 and is expected to be fully operational by the end of 2022.

The Project is developed by Sitthi Logistics (Sponsor), part of the Phongsavanh Group, a diversified Laotian business conglomerate. In July 2020, the Government of Lao PDR awarded a 50-year concession to Vientiane Logistics Park Co. Ltd. (VLP Co.), a special purpose vehicle established by the Sponsor to develop an integrated logistics park in Vientiane, which includes the development of the dry port and a multi-service logistics park. AIIB's proposed financing will be used to finance only the dry port which is being developed by TDP Co., a subsidiary of VLP Co.

SAFEGUARDS

As lead co-financier, IFC has also engaged an independent consultant for an Environmental and Social Due Diligence (ESDD) and Labor Audit. The ESDD made recommendations for the implementation of environmental and social plans and actions for the Project Company and this Project. Based on the ESDD, IFC has developed the Project Environmental and Social Review Summary and ESAP, disclosed by IFC on its website, together with project regulatory ESIA, supplemental ESIA, Land Review, and ESMMP: Disclosure - VLP Dry Port (ifc.org).

The land required for the dry port development is 55 hectares which was acquired through a government-led resettlement process initiated in 2014. The affected people were resettled in 2014-15 prior to the award of the concession by Government of Lao PDR in 2020. Nevertheless, the Sponsor will develop and implement a Supplemental Resettlement Action Plan (SRAP) for the resettlement undertaken both for the dry port and access road to meet compliance with IFC PS5.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Thanaleng Dry Port Sole Co. Ltd.	Client	Transport

Contact Information

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Asian Infrastructure Investment Bank

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BORROWER

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan 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 AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó 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

- Project Summary (December 2, 2022) [Original Source]

Other Related Projects

- IFC-45865 VLP Dry Port