



### Project Summary Information

Date of Document Preparation: April 4, 2019

<b>Project Name</b>	National Road 13 Improvement and Maintenance Project
<b>Document Code</b>	PD000066-PSI-LAO
<b>Country</b>	Lao People's Democratic Republic
<b>Sector/Subsector</b>	Transport
<b>Status</b>	Financing approved in April 2019.
<b>Project Description</b>	<p>The project will support national strategy and socio-economic development of Lao PDR by enhancing its road connectivity of the most critical sections of the backbone road network of the country. Specifically, the project will widen the 19 km high traffic section close to Vientiane capital city (Sikeut to Songpeuay market) from the existing two-lane to a four-lane road; and an improvement/strengthening of a 39-km section of two-lane road (Songpeuay market to Phonhong) with Portland cement concrete pavement. The project will use an innovative contracting model, an Output- and Performance-based Road Contract (OPBRC)</p> <p>The project will comprise three components as described below.</p> <ul style="list-style-type: none"> <li>- Component 1: Road Improvement, Maintenance and Operation (USD 120.5 million). This component will finance road widening, improvement, operation and maintenance works and land acquisition required for road works.</li> <li>- Component 2: Technical Assistance and Supervision (USD 4.8 million). This component will support MPTW to manage the implementation of the OPBRC, traffic safety activities, overloading control; and enhance environmental and social monitoring and supervision. It will also support preparation of studies for future investments on other sections of NR 13.</li> <li>- Component 3: Project Management (USD 2.7 million). This component will support project management, including technical and operational assistance for the day-to-day management of project activities including training on output and performance-based contracting, project planning and execution, financial management, procurement, monitoring and evaluation, and technical and financial audits. The sub-component will be financed by IDA.</li> </ul>
<b>Objective</b>	To improve road conditions, safety and climate resilience on critical sections of National Road 13 using an innovative contracting model (OPBRC). The road design will also be strengthened to meet ASEAN standards.
<b>Expected Results</b>	<ul style="list-style-type: none"> <li>(i) Road condition: Improved road condition resulting in reduction of vehicle operating cost on the project road;</li> <li>(ii) Road safety: Improved road safety resulting in increase in average International Road Assessment Program (IRAP) star rating of the project road;</li> <li>(iii) Climate resilience: Improved road design resulting in project road upgraded and improved with climate resilience measures</li> </ul>
<b>Environmental and Social Category</b>	A

**Environmental and Social Information**

The project is expected to have positive environmental impacts by improving the climate resilience of the road and reducing greenhouse gas (GHG) emissions. Negative environmental impacts during the construction phase are likely to be site-specific and limited to the project areas.

Regarding social benefits, the project is expected to improve travel conditions, road safety, and travel time. Adverse social impacts will be, for the most part, temporary, taking place during the construction phase. The project will result in the acquisition of 1.5 m of land along each side of the current alignment. About 2,400 households will be affected by some form of land acquisition or disruption of commercial activities.

The risk associated with labor influx under the project is assessed to be moderate as most workers can be recruited locally. The project operational manual covers management of negative impacts of labor influx and potential risks related to sexual exploitation and gender-based violence.

MPWT has prepared an Environmental and Social Impact Assessment (ESIA) as well as an Ethnic Groups Engagement Plan (EGEP), given the presence of the Hmong ethnic community in the project area. A Site-Specific Environmental and Social Management Plan (SSESMP) will be prepared by the construction contractors before commencement of construction works.

MPWT has also prepared an Ethnic Groups Engagement Plan (EGEP) for the project, given the presence of the Hmong ethnic community in the project area.

**Disclosure:** The draft ESIA, RAP and EGEP were consulted on with stakeholders during public consultation, and disclosed on MPWT's website in English and Lao and the World Bank external website ([www.worldbank.org](http://www.worldbank.org)) in January 2018. The final ESIA, RAP and EGEP were disclosed on MPWT's website and the World Bank website in February 2018:

- (i) <http://documents.worldbank.org/curated/en/788931518804279824/pdf/Laos-NR-13-ES-v2-02122018.pdf>
- (ii) [http://documents.worldbank.org/curated/en/249361515587199487/pdf/SFG\\_3923-REVISED-RP-P163730-PUBLIC-Disclosed-2-7-2018.pdf](http://documents.worldbank.org/curated/en/249361515587199487/pdf/SFG_3923-REVISED-RP-P163730-PUBLIC-Disclosed-2-7-2018.pdf)
- (iii) [http://documents.worldbank.org/curated/en/648151515582231951/pdf/SFG\\_3922-REVISED-IPP-P163730-PUBLIC-Disclosed-2-7-2018.pdf](http://documents.worldbank.org/curated/en/648151515582231951/pdf/SFG_3922-REVISED-IPP-P163730-PUBLIC-Disclosed-2-7-2018.pdf)
- (iv) <http://www.mpwt.gov.la/en/projects-en/0201-projectnr13-en/safe-guard-nr13-menu-en>

**GRM.** The project has in place a Project-level Grievance Redress Mechanism (GRM). Grievances will be handled by the relevant village mediation committee, in collaboration with the contractor's focal person or MPWT's safeguards specialist.

Project Summary Information Template. Sovereign- and Non-Sovereign-Backed Financings

**Grievance Redress Service/Inspection Panel.** Since AIIB has agreed to the application of the WB's ESSP, it has also agreed, consistent with AIIB's Policy on the Project-affected People's Mechanism (PPM), to rely on the WB's corporate Grievance Redress Service (GRS) in lieu of the PPM's Project Processing Query and Dispute Resolution functions, and to rely on the WB's Inspection Panel in lieu of the PPM's Compliance Review function. Communities and individuals who believe that they are adversely affected by the project may submit complaints to the existing project-level GRM or the WB's GRS. See <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service> for the GRS or [www.inspectionpanel.org](http://www.inspectionpanel.org) for the Inspection Panel.

**Cost and Financing Plan**

Project Cost and Financing Plan (USD million)

Item	Cost	Financing			
		AIIB*	IDA	NDF	GoL**
Base Cot					
<b>Component 1: Road Improvement and Maintenance</b>	<b>120.50</b>	<b>39.40</b>	<b>36.60</b>	<b>6.00</b>	<b>38.50</b>
Sub-component 1.1: Road Improvement and Maintenance	100.00	39.40	36.60	-	24.00
Sub-component 1.2: Land Acquisition	20.50	-	-	6.00	14.50
<b>Component 2: Technical Assistance and Supervision</b>	<b>4.80</b>	<b>0.60</b>	<b>0.70</b>	<b>3.50</b>	<b>-</b>
Sub-component 2.1: Traffic Safety, Overloading Control and Safeguards Monitoring	0.70	-	0.70	-	-
Sub-component 2.2: Management and Supervision of OPBRC	3.00	-	-	3.00	-
Sub-component 2.3: Preparation of Future Investments	1.10	0.60	-	0.50	-
<b>Component 3: Project Management</b>	<b>2.70</b>	<b>-</b>	<b>2.70</b>	<b>-</b>	<b>-</b>
<b>Total Base Cost</b>	<b>128.00</b>	<b>40.00</b>	<b>40.00</b>	<b>9.50</b>	<b>38.50</b>
A. Contingencies***	-	-	-	-	-

Project Summary Information Template. Sovereign- and Non-Sovereign-Backed Financings

	B. Financing charges during project implementation****		-	-	-	-	-
	<b>Total</b>		<b>128.00</b>	<b>40.00</b>	<b>40.00</b>	<b>9.50</b>	<b>38.50</b>
<b>Borrower/Investee Company/Counterparty/Guarantee</b>	Ministry of Finance						
<b>Implementation Organization(s)/Sponsor</b>	Ministry of Public Works and Transport						
<b>Estimated date of loan closing (SBF)/Estimated date of last disbursement (NSBF)</b>	November 2023						
<b>Contact Points:</b>	<b>AIIB</b>	<b>World Bank</b>	<b>Borrower</b>	<b>Implementation Organization</b>			
<b>Name</b>	Wenyu Gu	Sombath Southivong	Angkhansada Mouangkham	Pheng Douangngeun			
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<b>Date of Concept Decision</b>	December/2017						
<b>Date of Appraisal Decision/Estimated Date of Appraisal Decision</b>	January/2019						
<b>Date of Financing Approval</b>	April 2019						