



Project Summary Information

Date of Document Preparation: May 13, 2020	
Project Name	Climate Resilience Improvement of National Road 13 South Project (Section 3)
Project Number	PD000373-PSI-LAO
AIIB member	Lao People's Democratic Republic
Sector/Subsector	Transport / Roads (non-urban)
Status of Financing	Approved
Project Description	<p>The Project comprises the construction/rehabilitation of a 78-km section of the existing two-lane NS13S highway from Km 190 to Km 268 and implemented through a 10-year Output and Performance-Based Road Contract (OPBRC) under the Design, Build, Maintain, Operate and Transfer (DBMOT) methodology. AIIB will finance civil works for construction/rehabilitation and the Government of Lao PDR will finance O&M under the OPBRC.</p> <p>The proposed Project is part of a larger government program of rehabilitation and maintenance of the 275 km long National Road 13 south (NR13S), comprising a two-lane section, from Km 71 in Thapabath district to km 346 in Khammouane Province. The program consists of four sections of the NR13S. A separate World Bank (WB)-supported project will cover Section 1, and a European Investment Bank (EIB)-supported project will cover Sections 2 and 4, including the construction supervision of all four sections. The Government of Lao PDR will finance the operation and maintenance of all sections.</p>
Objective	To improve the road condition, safety, and climate resilience of the south section of the National Road 13 (Section 3).
Expected Results	<ul style="list-style-type: none"> i. Road condition: Improved road condition resulting in reduction in vehicle operating cost on the Project road (Percentage); ii. Road safety: Improved road safety resulting in increase in average International Road Assessment Program (IRAP) star rating of the Project road (Number); iii. Climate resilience: Project road upgraded and improved with climate resilience measures (Yes/No).
Environmental and Social Category	Category B

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Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs), and Environmental and Social Exclusion List (ESEL), is applicable to the Project. ESS 1 (Environmental and Social Assessment and Management), ESS 2 (Involuntary Resettlement) and ESS 3 (Indigenous Peoples) apply to the Project. Based on the due diligence, the Project has been identified as Category B on the basis that the anticipated Project environmental and social (ES) risks and impacts will be localized and temporary and can be mitigated through effective ES management.</p> <p>Based on the Environmental and Social Management Framework, Resettlement Policy Framework, and an Ethnic Groups Engagement Framework, all prepared in 2019 for the WB Project in accordance with WB safeguard policies, the client has prepared an Environmental and Social Management Plan (ESMP), a Resettlement Plan (RP) and an Ethnic Groups Engagement Plan (EGEP) for this Project. A Gender Action Plan (GAP) will also be prepared, in coordination with partner MDBs, covering the entire corridor.</p> <p>The Project is expected to create positive impacts on the people and environment by improved travel conditions and road safety, reduced transportation costs and travel time. The negative environmental impacts of the Project are expected to be limited since the existing alignment will be used for the road improvement under the proposed Project and appropriate mitigation measures have been included in the ESMP. The RP defines the eligibility and entitlement of the affected people subjected to the above resettlement impacts, and includes the list of affected persons, compensation estimates, implementation and monitoring mechanism and reporting requirements. In addition, to address any impacts on the ethnic minorities that exist in the area, the EGEP includes appropriate mitigation measures to be implemented during the construction as well as Operation and Maintenance phases.</p> <p>The initial consultations on the ES documents were conducted in 2019. Further consultations have been carried out during the development of the EGEP and updates of the ESMP and RP in May – August 2020. In addition, the client will also conduct a process of Free, Prior, and Informed Consultations (FPICon) with the affected ethnic minorities in accordance with the GoL regulations and ESS 3 provisions. The documents in English and their executive summaries in Lao language have been disclosed on the client's¹ website since July 9, 2020 and the Bank's website² on July 13, 2020 and updated in September 2020. The hard copies of the ES documentation have also been made available in the Project area.</p> <p>A multi-tier project-level Grievance Redress Mechanism (GRM) has been proposed at the village, district, province, and national levels for all four sections of NR13S, described in the ESMP, RP and EGEP and will be implemented by the client.</p>
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¹ <http://www.mpwt.gov.la/en/projects-en/nr1s-project-menu-en/lrsp2-af-nr13s-km-111-km-190-menu-en/09621-nr13s-menu-en>

² <https://www.aiib.org/en/projects/details/2020/proposed/Lao-PDR-Climate-Resilience-Improvement-of-National-Road-13-South-Project.html>

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Cost and Financing Plan	Project Cost and Financing Plan (USD million)			
	Item	Project Cost	Financing	
			AiIB	GoL*
	Rehabilitation and Maintenance on the 78 km section from km 190 to km 268 of the NR13S	39.0	30.0	9.0
	Land Acquisition and resettlement	1.0	-	1.0
	Total Cost**	40.0	30.0 (75%)	10.0 (25%)
	Note: *Counterpart fund will come from Road Maintenance Fund. **10% Contingencies are already embedded in project costs. Any additional contingencies will be covered by GoL.			
Borrower/Investee Company/Counterparty/Guaranteed entity	Lao People's Democratic Republic			
Implementing Entity/Sponsor	Ministry of Public Works and Transport			
Estimated date of loan closing (SBF)/Estimated date of last disbursement (NSBF)	December/2024			
Contact Points:	AiIB	Borrower	Implementation Organization	
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Date of Concept Decision	April/2020
Date of Appraisal Decision	July/2020
Date of Financing Approval	October/2020

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 Grievance Redress Mechanisms or AIIB Management's processes.</p> <p>Information on the PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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