



### Project Summary Information

January 11, 2024

<b>Project Name</b>	National Road 13 South Extension Improvement and Maintenance Project
<b>Project Number</b>	P000618
<b>AIIB member</b>	Lao People's Democratic Republic (PDR)
<b>Sector/Subsector</b>	Transport Roads (non-urban)
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; cross-border connectivity; and technology-enabled infrastructure.
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To enhance connectivity by improving the road condition, safety, and climate resilience of targeted critical sections of the National Road 13 (NR13).
<b>Project Description</b>	<p>The project aims to improve, rehabilitate, and maintain a critical 50 km section of NR13, which serves as the sole access route from the South to the capital city of Vientiane. This section begins at KM21 in the suburban area of Vientiane Capital and extends southwards to KM71 in Xaysavang village, located in Thaprabath District, Bolihamxay province.</p> <p>The first 20 km of this section will be expanded from two to four lanes and the following 30 km will undergo rehabilitation. The road improvement and maintenance will be carried out through a 10-year Output- and Performance-Based Road Contract (OPBRC) under the Design, Build, Maintain, Operate, and Transfer (DBMOT) method.</p> <p>The project will also carry out capacity-building activities to strengthen the Ministry of Public Works and Transport (MPWT) staff's capacity in managing road assets. This includes designing and implementing OPBRC, addressing road safety and climate resilience issues, and preparing future projects for improving and maintaining other critical sections of NR13.</p> <p>The components and their financing sources are as follows:  Component 1 (financed jointly by AIIB, Abu Dhabi Fund for Development (ADFD) and Government of Lao PDR (GoL)). Road Improvement, Rehabilitation, Maintenance and Operation.  Component 2 (financed by AIIB). Provision of Monitoring, Technical assistance, and preparation of future investments.</p>

<b>Expected Results</b>	Reduced travel time.
<b>Environmental and Social Category</b>	Category B
<b>Environmental and Social Information</b>	<p><b>Applicable Environmental and Social Policy.</b> AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs), and Environmental and Social Exclusion List (ESEL), is applicable under the project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) will apply to the project. No Indigenous Peoples/Ethnic Minority groups are collectively attached to the project area. Therefore, ESS 3 Indigenous Peoples is not applicable, as per the Bank's ESP.</p> <p><b>E&amp;S Categorization and Rationale.</b> Based on the available information, including several site missions by the project team and the studies associated with the robust assessments to prepare the E&amp;S instruments, the project has been categorized as Category B. This is because the anticipated project Environmental and Social (E&amp;S) risks and impacts are expected to be localized and of a temporary nature. The E&amp;S risks and impacts are not unprecedented to the project area and can be mitigated through effective E&amp;S management.</p> <p><b>Instruments.</b> In 2019, MPWT prepared an Environmental and Social Management Framework (ESMF), a Resettlement Planning Framework (RPF), and an Ethnic Groups Engagement Framework (EGEF) for the NR13 South project in accordance with AIIB safeguard policies. Considering that this project is located on the same road as the NR13 South project, these frameworks, and the latest version of the AIIB's ESP (November 2022) were the basis for the Department of Roads to prepare the ESIA, Environmental and Social Management Plan (ESMP), Resettlement Plan (RP) and Stakeholder Engagement Plan (SEP) for this project. The E&amp;S instruments were prepared and disclosed on the AIIB website in September 2023.</p> <p><b>Environment Aspects.</b> During the rehabilitation stage, there will be some negative environmental impacts in the 20 km section where the road will be expanded from two to four lanes. On the other hand, the impacts are expected to be minimal in the remaining 30 km section, as the existing alignment will be utilized. The construction phase is likely to have negative environmental impacts, including noise, dust, and gas emissions. It may also involve the disposal of solid and hazardous wastes, water contamination, siltation of water bodies, blockage of drainage, soil erosion and contamination, and removal of vegetation. Additionally, the ESIA has identified the need to fell at least 458 trees as part of the site preparation works. The trees are not considered part of a natural habitat and are mainly planted in private land lots or for ornamental purposes. The ESMP includes mitigation measures for the identified risks and adverse impacts including the preparation of a stand-alone OHS Management Plan for the project prior to the work commencement. The ESMP provides provision of tree</p>

transplantation, where possible, as well as compensatory planting. The ESMP also includes a monitoring plan, environmental code of practices, reporting mechanism, and roles and responsibilities of the key institutions for its implementation. A site-specific ESMP will be prepared by the contractor prior to the construction (C-ESMP).

**Land Acquisition and Resettlement.** The project will not involve any physical relocation of permanent structure and/or involve major resettlement of people. The Detailed Measurement Survey (DMS) was conducted based on the confirmed COI from 16 January 2023 to 16 February 2023. The DMS indicates that the Project will affect 556 Project Affected Households (PAHs) comprising 3,078 Project Affected Persons (PAPs), including 1,371 females, across 21 villages in three districts and two provinces. About 12 housing structures of 12 PAHs will be affected. Among them, six are built on private-owned land while the other six are constructed on Government reserved-land requiring resettlement on their own land or government land nearby. About 82 shops will be considered as an entirely affected structure and will be fully compensated. Both PAHs for housing structures and shops will construct their new housing and/or shops within the existing land plot area covered in the land title/certificate. Other impacts involve secondary structures like porches of shops, gates, fences, signs, and drainage systems. A safety or buffer zone of 1.5 meters will be established.

**Occupational Health and Safety, Labor and Employment Conditions.** The ESMP has identified OHS risks during the entire OPBRC contract period. The OHS requirements will be included in the contractor's site-specific ESMP. Additionally, the ESMP addresses various other issues such as labor influx, working conditions, labor payments, inadequate sanitation facilities for women, labor disputes or grievances, Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH), and code of conduct. The client will ensure that the bidding documents include clauses pertaining to these requirements. Furthermore, the client will oversee the contractors' compliance with applicable labor laws and regulations, as well as the adoption and enforcement of codes of conduct for all workers.

**Gender Equality and Social Inclusion (GESI).** Aligned with GoL's efforts, a GESI Framework has been developed for the project with the aim to: (i) enhance the participation of women and vulnerable groups in project-related activities through public consultations at each phase of the project; (ii) provide women and vulnerable groups with road safety and accessibility measures; (iii) promote equal opportunities for female employment; and (iv) strengthen the technical capacity of MPWT staff. The GESI Framework outlines guiding principles for the effective incorporation of GESI considerations as an integral part of the proposed project.

**Stakeholder Consultation and Information Disclosure.** Consultations were carried out during the conduct of E&S studies, the development of the ESMP; RP and SEP including the update of the ESIA. During the construction phase, the project implementation unit is required to regularly conduct consultations with local communities and report monthly. The E&S

	<p>documentation were disclosed in English and Lao language at the MPWT website <a href="https://mpwt.gov.la/en/singleProjectDetail/168">https://mpwt.gov.la/en/singleProjectDetail/168</a> on August 30, 2023 and Bank's website on September 08, 2023.</p> <p><b>Project-level Grievance Redress Mechanism (GRM).</b> A multi-tier Grievance Redress Mechanism (GRM) has been in operation and functioning since the implementation of the NR13 South project financed by AIIB. It will be further improved during the implementation of this project. The GRM covers four types of grievances and has been in place from pre-construction to the construction and operation of the project. These include grievances from: a) community members, including the public and other stakeholders; b) households affected by land acquisition, both those with land titles and those without; c) SEA/SH victims; and d) contractor's workers. Additionally, the project will utilize the existing GRM of the MPWT through the MPWT website, which allows for online feedback or complaint submission in Lao and English languages at <a href="https://www.mpwt.gov.la/complaint">https://www.mpwt.gov.la/complaint</a>.</p>			
<b>Cost and Financing Plan</b>	<p>Project Cost: USD74.3 million  Financing Plan:</p> <ul style="list-style-type: none"> <li>• AIIB: USD40 million</li> <li>• Abu Dhabi Fund for Development (ADFD) (Co-financier): USD20 million</li> <li>• Government of Lao PDR (GoL): USD12 million</li> <li>• Multilateral Cooperation Center for Development Finance (MCDF): USD0.7 million</li> <li>• Project Preparation Special Fund (PPSF): USD1.6 million</li> </ul>			
<b>Borrower/Investee Company/Counter party/Guaranteed entity</b>	Lao PDR.			
<b>Implementing Entity/Sponsor</b>	Ministry of Public Works and Transport.			
<b>Estimated date of loan closing</b>	December 31, 2029.			
<b>Contact Points:</b>	<b>AIIB</b>	<b>ADFD</b>	<b>Borrower</b>	<b>Implementation Organization</b>
<b>Name</b>	Wenyu Gu	Zainab Al Dhanhani	Angkhansada Mouangkham	Litta Kattiya

<b>Title</b>	Senior Investment Operation Specialist- Transport	Engineer	Deputy Director General, External Finance Department, Ministry of Finance	Director General, Department of Road, Ministry of Public Works and Transport Lao People's Democratic Republic
<b>Email Address</b>	wenyu.gu@aiib.org	zaldhanhani@adfd.ae	angkhansada@yahoo.com	k_litta@yahoo.com
<b>Date of Concept Decision</b>	15/Feb/23			
<b>Date of Appraisal Decision</b>	14/Dec/23			
<b>Estimated Date of Financing Approval</b>	March 2024			

<b>Independent Accountability Mechanism</b>	<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 GRM or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a></p>
---	--