



Project Data Sheet

Project 43316-012

Project Name Pakse Urban Environmental Improvement Project

Project Number 43316-012

Country / Economy Lao People's Democratic Republic

Project Status Closed

Project Type /
Modality of Assistance Grant
Loan

Grant 0297-LAO: Pakse Urban Environmental Improvement Project

Source of Funding / Amount Asian Development Fund US\$ 3.25 million

Loan 2876-LAO: Pakse Urban Environmental Improvement Project

Asian Development Fund US\$ 24.25 million

Strategic Agendas Environmentally sustainable growth
Inclusive economic growth

Drivers of Change Gender Equity and Mainstreaming
Governance and capacity development

Sector / Subsector **Water and other urban infrastructure and services** / Urban flood protection - Urban policy, institutional and capacity development - Urban sanitation - Urban solid waste management

Gender Effective gender mainstreaming

Description The project will enhance the competitiveness of Pakse as a regional economic and tourism center of the southern Lao PDR. It responds to the local government's vision for Pakse to become a green city and for the greater Pakse urban area to gain official city status in the future by improving citywide environmental improvements in solid waste management, flood protection and drainage, and riverbank erosion protection along the Xedon River; supporting community-driven initiatives in urban environmental improvements; strengthening local capacity in urban planning and services; and strengthening local capacity in project management and implementation. The project contributes to the Government of the Lao PDR's long-term urbanization strategy and Pakse Urban Development Strategy, 2011-2030.

| | |
|--|---|
| Project Rationale and Linkage to Country/Regional Strategy | <p>Pakse is the largest urban center in the southern Lao PDR and the capital of Champasack province. Since the mid-1990s, it has grown to become a regional commercial and service center in the country and the Greater Mekong Subregion (GMS). It is becoming an important tourism hub and staging post for the southern Lao PDR and the GMS. Pakse is strategically located on the regional road network (Road 13) and on an interconnector link from the East-West Economic Corridor to the Southern Economic Corridor in the GMS. Pakse district's population in 2010 was 77,647; this is expected to double by 2030 based on annual growth of 3%. The population of greater Pakse urban area in 2011 was about 107,600; this is expected to grow to 138,700 by 2020 and 176,100 by 2030. Champasack's gross domestic product growth has averaged 9.8% since 2006, driven largely by industry and services, accounting for 60% of total economic output in 2010 compared to 49% in 2006. Revenue from tourism, banking, transport, and construction have also surged. Pakse has significant natural attractions and is near major cultural and heritage sites such as Wat Phou. Tourism development has helped stimulate local investment in tourism-related facilities and generate local employment. Since 2005, tourist arrivals in Champasack Province have grown by an average of 20% per year, especially via the Cambodia and Thailand borders.</p> <p>Despite these growth opportunities, Pakse is experiencing rapid environmental degradation caused by significant urbanization and economic growth pressures. It has witnessed an increase in traffic, tourists, and commercial activities. Improvement of basic urban and environmental infrastructure and strengthening of local capacity to plan and manage urban growth are key steps in developing Pakse as a sustainable, livable, and competitive city.</p> <p>The project is in line with the Lao PDR's Seventh National Socioeconomic Development Plan, 2011-2015. The project focuses on achieving sustainable and inclusive development by transforming the key urban growth area into a competitive and green urban center--a strategy central to the government's draft national urban sector strategy and local socioeconomic development plans. The project is also in line with the GMS strategy to transform transport corridors into economic corridors. It has synergies with ADB's GMS Sustainable Tourism Development Project and the proposed GMS Corridor Towns Development Project. The country partnership strategy of the Asian Development Bank (ADB) for the Lao PDR, 2012-2016 also emphasizes stronger rural-urban linkages through improved urban services and municipal infrastructure. The project is consistent with ADB's Urban Operational Plan, 2011-2020 under Strategy 2020, which fosters competitive, inclusive, and green cities by improving performance in economic, equity, and environment areas.</p> <p>Improved competitiveness of Pakse as a regional economic and tourism center of Southern Lao PDR</p> |
| Impact | |

Project Outcome

| | |
|-------------------------|--|
| Description of Outcome | Increased quality, reliability, and coverage of urban infrastructure and environmental improvements in greater Pakse urban area. |
| Progress Toward Outcome | The outcome is likely to achieve. The keys construction are ongoing. |

Implementation Progress

| | |
|---|---|
| Description of Project Outputs | <p>City-wide environmental improvements - improved solid waste management system</p> <p>City-wide environmental improvements - strengthened flood protection and drainage</p> <p>City-wide environmental improvements - Reinforced riverbank protection along the Xedon River</p> <p>Community-driven urban environmental improvements - improved solid waste collection and management; improved household sanitation.</p> <p>Strengthened Capacity for Provincial Urban Planning and Services</p> <p>Strengthened capacity for project management and implementation</p> |
| Status of Implementation Progress (Outputs, Activities, and Issues) | <p>Output 1: City wide environmental improvements - ongoing, the BER for major civil works (drainage, riverbank erosion protection and landfill improvement) are under process.</p> <p>Output 2: The community-driven urban environmental improvements - ongoing, the detailed design for CEI work is completed.</p> <p>Output 3: Strengthened capacity for provincial urban planning and services - Ongoing, the P-UDAA's corporate plan is under review by PMIU with support from consultant team.</p> <p>Output 4: Strengthened Capacity for project management and implementation, ongoing, various trainings, study tours and workshops were conducted to enhance capacity of the project staff.</p> |
| Geographical Location | Muang Pakxe, Muang Phonthong, Xe Don |

Safeguard Categories

| | |
|--------------------------|---|
| Environment | B |
| Involuntary Resettlement | B |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

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|--------------------------|
| Environmental Aspects |
| Involuntary Resettlement |
| Indigenous Peoples |

Stakeholder Communication, Participation, and Consultation

| | |
|-----------------------|---|
| During Project Design | <p>During project preparation, consultations took the form of informant interviews and focused-group discussions with community members and government officials, household surveys of expected project beneficiaries and affected people, and mass organizations (provincial Lao Women's Union and Lao Front for National Construction).</p> <p>Discussions were also held with women's union representatives in the Urban Development Administration Authority (UDAA) in Pakse and in the Department of Public Works and Transport in Champassak. Other stakeholders included: hotel, guest house and restaurant operators; landfill waste pickers; and vendors and shop owners. Further consultation is planned during project implementation and detailed design stage. Formal mechanisms for grievance redressal have also be established.</p> |
|-----------------------|---|

During Project
Implementation

A stakeholder and communication strategy has been prepared for
project implementation.

Business Opportunities

Consulting Services tbd

Procurement tbd

Responsible ADB Officer Souannavong, Souadalay

Responsible ADB Department Southeast Asia Department

Responsible ADB Division Lao Resident Mission

Executing Agencies *Department of Public Works and Transport, Champasack Province*

Timetable

Concept Clearance 23 Jul 2010

Fact Finding 23 Feb 2012 to 01 Mar 2012

MRM 19 Apr 2012

Approval 28 Jun 2012

Last Review Mission -

Last PDS Update 28 Sep 2018

Grant 0297-LAO

Milestones

| Approval | Signing Date | Effectivity Date | Closing | | |
|-------------|--------------|------------------|-------------|-------------|-------------|
| | | | Original | Revised | Actual |
| 28 Jun 2012 | 01 Aug 2012 | 18 Sep 2012 | 31 Dec 2018 | 31 Dec 2021 | 06 Jan 2023 |

Financing Plan

Grant Utilization

| Total (Amount in US\$ million) | | Date | ADB | Others | Net Percentage |
|--------------------------------|------|----------------------------|------|--------|----------------|
| Project Cost | 6.90 | Cumulative Contract Awards | | | |
| ADB | 3.25 | 07 Feb 2023 | 3.20 | 0.00 | 100% |
| Counterpart | 3.65 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 07 Feb 2023 | 3.20 | 0.00 | 100% |

Status of Covenants

| Category | Sector | Safeguards | Social | Financial | Economic | Others |
|----------|--------------|--------------|--------------|--------------|----------|--------------|
| Rating | Satisfactory | Satisfactory | Satisfactory | Satisfactory | - | Satisfactory |

Loan 2876-LAO

Milestones

| Approval | Signing Date | Effectivity Date | Closing | | |
|----------|--------------|------------------|----------|---------|--------|
| | | | Original | Revised | Actual |

28 Jun 2012 01 Aug 2012 18 Sep 2012 31 Dec 2018 31 Dec 2021 06 Jan 2023

Financing Plan

Loan Utilization

| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
|--------------|--------------------------------|----------------------------|-------|--------|----------------|
| Project Cost | 24.25 | Cumulative Contract Awards | | | |
| ADB | 24.25 | 07 Feb 2023 | 21.84 | 0.00 | 100% |
| Counterpart | 0.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 07 Feb 2023 | 21.84 | 0.00 | 100% |

Status of Covenants

| Category | Sector | Safeguards | Social | Financial | Economic | Others |
|----------|--------------|--------------|--------------|--------------|----------|--------------|
| Rating | Satisfactory | Satisfactory | Satisfactory | Satisfactory | - | Satisfactory |

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