



Lao People's Democratic Republic: Northern Rural Infrastructure Development Project

Project Name	Northern Rural Infrastructure Development Project		
Project Number	42203-012		
Country / Economy	Lao People's Democratic Republic		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount			
	TA 7362-LAO: Northern Rural Infrastructure Development Project		
	Japan Special Fund		US\$ 800,000.00
Strategic Agendas	Environmentally sustainable growth		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development		
Sector / Subsector	Agriculture, natural resources and rural development / Agricultural policy, institutional and capacity development - Agricultural production Energy / Renewable energy generation - biomass and waste		
Gender	Effective gender mainstreaming		
Description	<p>The Technical Assistance (TA) prepared an agreed design of an investment project that addresses the rural infrastructure deficit that is considered the major binding constraint for the socio-economic development of the Northern Region, and compliment this with investments to raise agriculture productivity and enhance community resilience.</p> <p>The ensuing Project, Grant 0235-LAO: Northern Rural Infrastructure Development Project - approved on 26 November 2010, will improve rural household incomes in the four northern provinces of Bokeo, Luang Namtha, Oudomxay, and Phongsaly. The outcome will be increased agricultural productivity in these project provinces. Four main outputs include: (i) production and productivity enhancing rural infrastructure constructed and/or rehabilitated; (ii) productivity and impact enhancing initiatives adopted; (iii) capacities of national, provincial and district agencies strengthened to enable a sector development approach; and (iv) efficient and effective delivery of subprojects and Project management.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>The Project is consistent with ADB's Strategy 2020 and the (draft) Operational Plan for Sustainable Food Security. ADB's Country Strategy and Program 2007-2011 for Lao PDR is also aligned with the Government's 6th National Socio Economic Development Plan, and focuses on (i) promoting pro-poor sustainable growth: nurturing labor-intensive sources of growth (through small and medium sized enterprise development, transition to commercial agriculture, and regional integration as the main engine of outward-oriented growth); (ii) fostering inclusive social development: accelerating progress in non-income Millennium Development Goals (MDG)-basic education, primary health care, water supply; and (iii) addressing priority governance issues. A necessary pre-requisite for private sector-led growth and agricultural commercialization is market access (rural infrastructure) and enhanced productivity, in particular, the more efficient irrigation facilities.</p> <p>The Project is consistent with the Government's objectives outlined in National Growth and Poverty Eradication Strategy (NGPES) and commitments under the MDGs, both of which target poverty reduction. The links between agricultural intensification through improved rural infrastructure and poverty reduction are well documented in TA 4521-LAO: Institutional Strengthening for Poverty Monitoring and Evaluation in which it concluded that "upgrading of roads had significant effect on poverty reduction, with the effect of upgrading from no vehicular access to only dry season access particularly large" Within the NGPES, rural infrastructure (including irrigation, rural markets and rural roads) has been accorded the highest priority as a means of achieving its poverty reduction objectives.</p>		
Impact	The impact from investments funded under the ensuing grant is that access to markets and social services for rural communities in the northern provinces will be improved.		
Project Outcome			
Description of Outcome	The outcome of the PPTA is an agreed design of an investment project that enhances market access, responds to government strategy for the socio-economic development of the Northern Region and is in accordance with stakeholders' priorities. Evidence of achievement of the outcome will be the memorandum of understanding between the Government and ADB anticipated by August 2010.		
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs	Two outputs are anticipated including (i) a sector analysis and updated institutional assessment in the Northern Region for selected provinces; and (ii) a feasibility study design for an investment project with the following subcomponents- a) productivity and market access infrastructure; b) support for producer groups to integrate with markets; c) land use planning and productivity enhancement, d) measures to enhance climate resilience; (e) implementation management; and (f) associated documents for grant appraisal including social analysis - inc. gender analysis, resettlement framework, environmental management framework, etc.		
Status of Implementation Progress (Outputs, Activities, and Issues)			
Geographical Location			
Safeguard Categories			
Environment			B
Involuntary Resettlement			C
Indigenous Peoples			B
Summary of Environmental and Social Aspects			
Environmental Aspects			

Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	Workshops and community mobilization were undertaken at core subprojects during PPTA stage. Actions for the non-core subprojects will be carried out during the implementation of G0235-LAO.

Business Opportunities	
Consulting Services	The consultants have completed their services on 30 September 2011. ADB is waiting for the submission of the final request for contract variation and final claim in order to close the consulting contract.

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Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SERD
Executing Agencies	Ministry of Agriculture and Forestry-Irrigation Dep Mr. Phaythoune Phomvixay cmidoi@laotel.com Vientiane, Lao PDR Ministry of Agriculture and Forestry-Irrigation Dep DIDMP, Irrigation Department Ministry of Agriculture and Forestry P.O.Box 5192, Chao Anou Road

Timetable	
Concept Clearance	13 May 2009
Fact Finding	25 May 2009 to 05 Jun 2009
MRM	-
Approval	12 Oct 2009
Last Review Mission	-
PDS Creation Date	03 Jun 2009
Last PDS Update	11 Nov 2011

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
12 Oct 2009	06 Nov 2009	06 Nov 2009	31 Oct 2010	31 Mar 2012	26 Mar 2012

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
800,000.00	0.00	150,000.00	0.00	0.00	0.00	950,000.00	17 Jun 2022	799,774.50

Project Page	https://www.adb.org/projects/42203-012/main
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