Lao People's Democratic Republic: Small Towns Water Supply and Sanitation Sector Project

Project Name: Small Towns Water Supply and Sanitation Sector Project
Project Number: 36339-022
Country: Lao People's Democratic Republic
Project Status: Closed

Project Type / Modality of Assistance: Grant
Source of Funding / Amount:
- Grant 0143-LAO: Small Towns Water Supply and Sanitation Sector Project
  concesional ordinary capital resources lending / Asian Development Fund: US$ 23.00 million
- Gender and Development Cooperation Fund: US$ 500,000.00

Strategic Agendas: Environmentally sustainable growth
Drivers of Change:
- Governance and capacity development
- Partnerships

Sector / Subsector:
- Water and other urban infrastructure and services
  - Urban flood protection
  - Urban policy, institutional and capacity development
  - Urban sanitation
  - Urban water supply

Gender Equity and Mainstreaming:

Description:
To improve the quality of life of the residents of small towns in Lao PDR and to enhance the town's roles as economic, market, manufacturing and services centers for their surrounding rural areas. It will contribute to the Government’s efforts to increase the percentage of the urban population with access to safe piped water to 80% by 2020. The project aims to strengthen the overall water supply sector by supporting the establishment of the Water Supply Regulatory Committee (WSRC); assisting its secretariat, the Water Supply Authority (WASA), to carry out its (PNPs) to become corporate entities under the Enterprise Law. The project will provide support for business and financial management, and efficient operation and maintenance to improve PNP's organizational performance and sustainability. The project will support the provision of piped water and sanitation services for an estimated 137,000 residents in 124 villages in 15 small towns. It is a sector investment project with the following outputs: (i) a stronger and more sustainable urban water supply sector; (ii) new and rehabilitated water supply systems in 15 small towns; (iii) improved drainage and public sanitation; (iv) enhanced community action and participation; (v) more gender equity in urban water and sanitation; and (vi) improved capacity for project implementation and operation and maintenance.

Impact:
- Expanded access to safe piped water supply and sanitation services for the urban population.

Project Outcome:
Description of Outcome:
- Improved access, quality and reliability of piped water supply and sanitation services for residents in target small towns.

Progress Toward Outcome:
As of Sept 2018, physical progress is 100% compared to 100% elapsed grant period. The additional subproject (Kasy town) in Vientiane province is 100% completed.
The project outcome is delivered. 210,000 urban residents (target 130,000) in the target small towns have access to the improved water supply and sanitation services. These improved services include an increased coverage by pipes and pour-flush latrines, and the delivery of safe piped water on a 24 hours/7 days basis.

Implementation Progress:
Description of Project Outputs:
1. Strengthened urban water supply and sanitation sector
2. Developed and rehabilitated water supply systems
3. Improved drainage and public sanitation
4. Enhanced community action and participation
5. Enhanced gender equity in urban water supply and sanitation
6. Improved capacity for project implementation and operation and maintenance
### Status of Implementation Progress (Outputs, Activities, and Issues)

**Output 1. Strengthened urban water supply and sanitation sector.**  
The performance targets and indicators are met. The Urban Water Supply Sector Strategic Framework (2009-2020) was approved for implementation. The Sector Investment Plan is being updated and is expected to be approved in 2018. All 10 participating provincial Nam Paps (water utilities) have amended their enterprise certificates as state-owned companies and developed 3 years’ corporate plans. Tariff adjustment was complete and will be reviewed every 3 years.

**Output 2. Developed and rehabilitated water supply systems.** Performance indicators are met. The construction of nine new piped water supply systems and rehabilitation of four existing water supply systems were completed (targets: construction of eight new water supply systems and the rehabilitation of four existing systems).

**Output 3. Improved drainage and public sanitation.** Performance indicators are met. Priority drains and public toilets are constructed or rehabilitated in fringe towns (target eight towns).

**Output 4. Enhanced community action and participation.** The targets and indicators are met. Community information and participation programs have been set up in 78 target villages. Participants of the activities are 12,000 persons (5,200 or 43% are women). WATSAN committees have been set up, gathering 540 members (216 or 40% are women). About 3,700 additional households have got improved sanitation facilities (against 1,400 in the DMF), including more than 900 poor households.

**Output 5. Enhanced gender equity in urban water supply and sanitation.** Performance indicators are met. 26 engineering scholarships which have been awarded to female high school graduates (against an objective of 20 per the DMF). The participating provincial Nam Paps incorporated gender activities into their corporate plans.

**Output 6. Improved capacity for project implementation and operation and maintenance.** Performance targets related to project management and implementation are achieved.

### Geographical Location

- Ban Boten, Ban Houayxay, Ban Muang Et, Ban Nonghet, Ban Songkhon, Ban Xiangkho, Champasak, Muang Kasi, Muang Khop, Muang Lakhonpheng, Muong Long, Muang Pakbeng, Muang Pakxong, Muang Pha Oudom, Muang Songkhon, Muang Xepom, Nam Thuang, Salavan, Thateng, Vangvieng, Viangphoukha, Kaysetha

### Safeguard Categories

**Environment**
- B

**Indigenous Peoples**
- B

### Summary of Environmental and Social Aspects

**Environmental Aspects**
- The project is category B (non-sensitive). IIEEs and EMPs were approved and compliance with safeguard requirements is satisfactory.

**Involuntary Resettlement**
- The project is category B. LACPs have been approved and implemented. The external social and resettlement monitor was recruited and provides regular monitoring reports.

**Indigenous Peoples**
- The project is category B. Feasibility studies include a screening of the impacts on ethnic groups for each town. Enhancement measures are incorporated into the subproject design and mitigation measures, if any, are incorporated into the IEE, EMPs and LACPs.

### Stakeholder Communication, Participation, and Consultation

**During Project Design**
- Extensive stakeholder participation and consultation was undertaken to ensure that the proposed project impact, outcomes and outputs were derived, owned and supported by key stakeholders. In-depth interviews, workshops, group discussions, household surveys and questionnaires were used with (i) relevant national, provincial, and district governments; (ii) local village leaders in the core areas of candidate subproject towns; (iii) development partners and mass organizations; and (iv) households (or potential consumers). Focus groups discussions were held with local communities, including the poor, women and ethnic people. National workshops with key stakeholders were conducted to present the project design and seek consensus on key cost-recovery principles. Subproject-level consultations were held to finalize the feasibility design of the core subprojects.

**During Project Implementation**
- The same level of consultation continues during implementation. Subprojects are designed in close consultation with government, communities, mass organizations, government officials, water utilities and others through workshops, meetings, socioeconomic households surveys, focus group discussions etc.

### Business Opportunities

**Consulting Services**
- A total of 859 person-months of consulting services (124 person-months international and 735 person-months national) will be required to support implementation of the Project through project management, feasibility studies, design construction, and supervision of water supply and sanitation infrastructure, preparation of social assessments with information on poverty, gender and ethnic groups, financial management, institutional and human resources development, social and community development, health and hygiene, involuntary resettlement and environmental safeguards, and project performance management and evaluation. The consultants will deliver on-time (a) training and capacity development assistance to the PCU and PUs. They will also provide services for (i) topographical surveys for feasibility studies and design; (ii) water quality testing for feasibility, design, and monitoring during construction; (iii) geotechnical investigations and soil testing for feasibility studies and design; (iv) survey and clearance of unexploded ordnance; and (v) groundwater surveys, if necessary, to include drilling and pump tests. Consulting services will be engaged through a firm in accordance with ADB’s Guidelines on the Use of Consultants (2007, as amended from time to time) through the quality- and cost-based selection (QCBS) method. The weighting will follow the standard quality-cost ratio of 80:20. The PCU will recruit the consultant team, which will include international and national consultants led by a team leader. The consultant team will report to the PCU.

**Procurement**
- All procurement to be financed under the ADB grant will be carried out in accordance with ADB’s Procurement Guidelines (2007, as amended from time to time). International competitive bidding (ICB) procedures will be used for major civil works contracts estimated to cost over $1.0 million and, for supply contracts valued at over $500,000. Procurement of civil works valued at less than $1.0 million equivalent will be undertaken through national competitive bidding. Modifications and clarifications that need to be made to the Recipient’s national competitive bidding procedures must be agreed on by ADB and the Recipient. Shopping procedures will be followed for materials and equipment packages or works estimated to cost less than $100,000 equivalent. ADB shopping procedures will be used for the small village civil works and supply contracts, and for awareness activities and equipment under the community action and participation program. To the extent possible, quotations will be invited from at least three suppliers or contractors for local procurement. The Project Coordination Unit (PCU) will carry out procurement for outputs 1, 2 and 5, and the Project Implementation Unit (PIU) will be responsible for that for outputs 3 and 4. Installation of water meters and service connections will be carried out by the construction contractor under the main water supply construction contract for each subproject town. The district Lao Women’s Union (LWU) will be contracted to implement the community information and participation program, following a capacity assessment in each subproject town through single source selection. This is justified based on: (i) the LWU is the only organization with a sustained local presence in the project districts, and has a history of working with local communities and participatory development, ensuring local continuity; and (ii) the cost of each assignment is less than $100,000.

### Responsible ADB Officer
- Phoxay Xayyavong

### Responsible ADB Department
- Southeast Asia Department

### Responsible ADB Division
- Lao Resident Mission

### Executing Agencies
- Ministry of Public Works and Transport  
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  Phomma Veoravanh
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### Timetable

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<td>Concept Clearance</td>
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Grant 0143-LAO

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