

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) has been a lead partner in the water supply and other municipal infrastructure and services sector in the Lao People's Democratic Republic (Lao PDR). Other development partners active in the sector include Agence Française de Développement, Japan International Cooperation Agency (JICA), Korean International Cooperation Agency, Neighboring Countries Economic Development Cooperation Agency of Thailand, SNV Netherlands Development Organization, United Nations Children's Fund, United Nations Human Settlements Programme, World Bank, and World Health Organization. The Norwegian Agency for Development Cooperation and the United Nations Development Programme have provided assistance in solid waste management (including in Pakse). JICA is assisting the Ministry of Home Affairs in implementing the Law on Local Administration of the Lao PDR, 2003. The table highlights projects in the urban development and water supply and sanitation subsectors since 2000.

B. Institutional Arrangements and Processes for Development Coordination

2. The Infrastructure Technical Working Group (TWG–Infrastructure) oversees development coordination in infrastructure development, and includes a subgroup on urban development, water supply, and sanitation. The subgroup, chaired by the minister of public works and transport, is co-chaired by ADB, the Embassy of Japan, and the World Bank. It held its first meeting in October 2011. The project seeks to enhance partnerships during implementation through regular updates provided at biannual TWG–Infrastructure subgroup meetings. The Pakse Urban Development Strategy, 2011–2030 and its investment plan will enable development partners to coordinate urban development initiatives in Pakse. Project progress will be shared at Greater Mekong Subregion (GMS) meetings focusing on tourism and corridor town development.

C. Achievements and Issues

3. Lessons have been identified from ADB experience in urban sector development in the Lao PDR since 1995.¹ Since then, ADB has provided multisector investments in Vientiane; the secondary towns of Pakse, Kaysone Phomvihane, Luang Prabang, and Thakhek; and all provincial capitals, including Vang Vieng. The project builds on ADB's previous investments in Pakse, support to urban development administration authorities, and support for the preparation of the Law on Local Administration of the Lao PDR, 2003. It incorporates lessons and recommendations from ADB project completion reports and independent evaluations.²

D. Summary and Recommendations

4. ADB assistance is in accordance with the government's draft National Urban Sector Strategy and Pakse's Urban Development Strategy, 2011–2030. The national strategy prioritizes Pakse as one of four secondary towns for urban investments based on its significant growth and regional location. ADB support to Pakse enhances the town's potential to become competitive and contribute to the government's long-term urbanization green growth strategy.

¹ ADB. 1995. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to the Lao People's Democratic Republic for the Vientiane Integrated Urban Development Project*. Manila.

² ADB. 2010. *Performance Evaluation Report: Vientiane Urban Infrastructure and Services Project in the Lao People's Democratic Republic*. Manila; ADB. 2010. *Country Assistance Program Evaluation: Lao People's Democratic Republic—Sustainable Growth and Integration*. Manila; ADB. 2010. *Completion Report: Small Towns Development Project in the Lao People's Democratic Republic*. Manila; and ADB. 2005. *Completion Report: Secondary Towns Urban Development Project in the Lao People's Democratic Republic*. Manila.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Urban Sector Development			
ADB	Small Towns Development Project	2000	0.70
	Support to Urban Development Administration Authorities Project	2000	0.48
	Vientiane Urban Infrastructure and Services Project	2001	25.00
	Capacity Building for Urban Development Administration Authorities	2002	0.60
	Vientiane Urban Infrastructure and Services Project	2002	0.60
	Strengthening Corporate Governance and Management	2002	0.90
	Small Towns Development Project	2002	0.70
	GMS: Mekong Tourism Development Project (Lao PDR)	2002	10.90
	Small Towns Development	2003	16.00
	Solid Waste Management and Income Generation for Vientiane's Poor (Japan-financed)	2003	1.00
	Northern and Central Region Water Supply and Urban Development	2004	0.20
	Small Towns Development Sector Project in the towns of Vang Vieng, Pek, Pakxanh, and Nam Neua, January 2004; project subsequently extended to cover all provincial capitals in four phases	2004	20.00
	Sustainable Tourism Development	2005	0.90
	Vientiane Urban Infrastructure and Services	2007	25.00
	GMS: Sustainable Tourism Development Project (Lao PDR)	2008	10.00
	Northern Rural Infrastructure Development Project	2009	0.80
	Pakse Urban Environmental Improvements (CDIA)	2009	(...)
	Northern Rural Infrastructure Development Sector Project	2010	23.00
	Pakse Urban Environmental Improvement Project	2010	0.70
	GMS Corridor Towns Development Project	2010	2.00
NEDA	Improvement of Hong Wattay Drainage Channel in Vientiane Capital	2006	4.57
UN-HABITAT	Development of XiengNgeun (Luangprabang) and Xayaboury (river left bank)	(...)	0.42
Water Supply and Sanitation (urban)			
ADB	Northern and Central Regions Water Supply and Sanitation Sector Project, Phase 1	2002	0.70
	Northern and Central Region Water Supply and Urban Development	2004	0.20
	Northern and Central Regions Water Supply and Sanitation Sector Project	2005	10.00
	OPEC International Development	(...)	9.00
	Small Towns Water Supply and Sanitation Sector (Australia provided a health consultant)	2006	0.50
	Updating the National Water Policy and Strategy (Australia-financed)	2007	(...)

Development Partner	Project Name	Duration	Amount (\$ million)
	Small Towns Water Supply and Sanitation Sector Project	2009	23.00
	Gender and Development Cooperation Fund	(...)	0.50
	Northern and Central Regions Water Supply and Sanitation Project (supplementary)	2009	6.60
	Updating the National Water Policy and Strategy (supplementary, Australia-financed)	2009	0.30
	Strengthening Urban Water Supply Regulation in the Lao PDR	2011	0.50
Belgium	Pilot urban water supply projects at Laongam (Saravan) and Champhone (Savannakhet) and rural supply schemes in five districts	2001	1.02
Japan	Village Development Projects: Nong and Thapangthong district centers, Savannakhet Province	2004	(...)
	Human Resource Development in the Water Supply Sector	2002	0.05
	Upgrade Water Supply facilities, Khanthaboury, Savannakhet Province	2002	¥617.00
	Management Guidance to PNP Savannakhet Province	2002	¥21.00
KOICA	Sector strengthening for water supply and sanitation (concept under development)	2012	(...)
	Water supply system development in Bolikan (Borikhamxay) and Xebangfey (Khammuane)	2007	2.00
Norway	Capacity Building for the Water Supply Sector	2000	1.22
PPIAF	Northern and Central Regions Water Supply and Sanitation Sector Project	2005	1.70
	Study on Small Town Water Supply Management Models	2002	0.08
	Grant for project preparation and feasibility studies of 6 small town water supply schemes for implementation by the private sector through concession arrangements, to be funded by GPOBA; program extended to include about 21 small towns with funds of about \$2.4 million	2006	(...)
SEDIF	Private sector concession contract (25 years) between the Muang Feuang district administration authority and a private water supply company for piped water supply to 5 villages	2006	0.05
	Private sector concession contract (25 years) between the Vang Vieng district administration authority and a private water supply company for piped water supply to Tha Heua and Houay Mo villages	2006	0.05
UN-HABITAT	Northern and Central Regions Water Supply and Sanitation Sector Project	2005	0.50
	Development of Phine District Town, Savannakhet Province	2007	0.35
WSP-EAP	Small Towns Water Supply and Sanitation Initiative in Lao PDR (case study)	2001	0.02
	Study on Small Town Water Supply Management Models	2002	0.02

Note: This table outlines external assistance from 2000 to 2011, and excludes assistance for the transport and governance sectors. Complete Development Coordination (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

(...) = data not available, ADB = Asian Development Bank, CDIA = Cities Development Initiative in Asia, GMS = Greater Mekong Subregion, GPOBA = Global Partnership for Output-Based Aid, KOICA = Korean International Cooperation Agency, Lao PDR = Lao People's Democratic Republic, NEDA = Neighboring Countries Economic Development Cooperation Agency, OPEC = Organization of the Petroleum Exporting Countries, PPIAF = Public-Private Infrastructure Facility (World Bank), SEDIF = Syndicat des Eaux d'Ile-de-France (Paris Water Utility), TA = technical assistance, UN-HABITAT = United Nations Human Settlement Programme, WSP-EAP = Water and Sanitation Program East Asia and Pacific (World Bank).

Source: Asian Development Bank.