



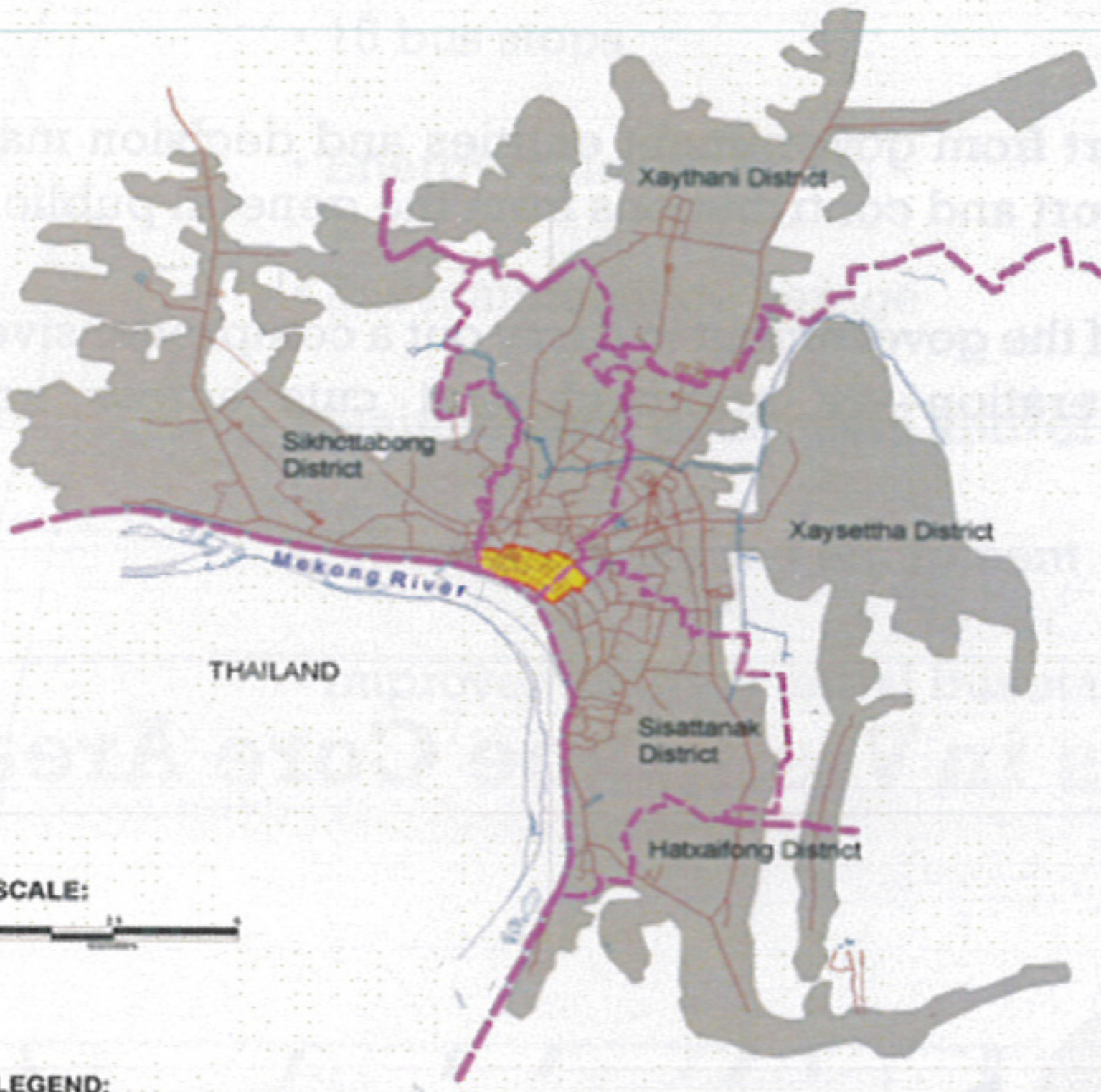
Concept Paper

Project Number: 45041
November 2011

Lao People's Democratic Republic: Vientiane Sustainable Urban Transport

Asian Development Bank

VIENTIANE URBAN AREA


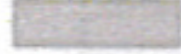



THAILAND

SCALE:



LEGEND:

-  District Boundary
-  Urban Area
-  Core Area

Improved development control in core area

Approximate area for western park and ride car park

Action plan for parking and access in market, bus station, and Nong Chanh development area

Approximate area for eastern park and ride car park

Revised parking system and effective parking enforcement in core area

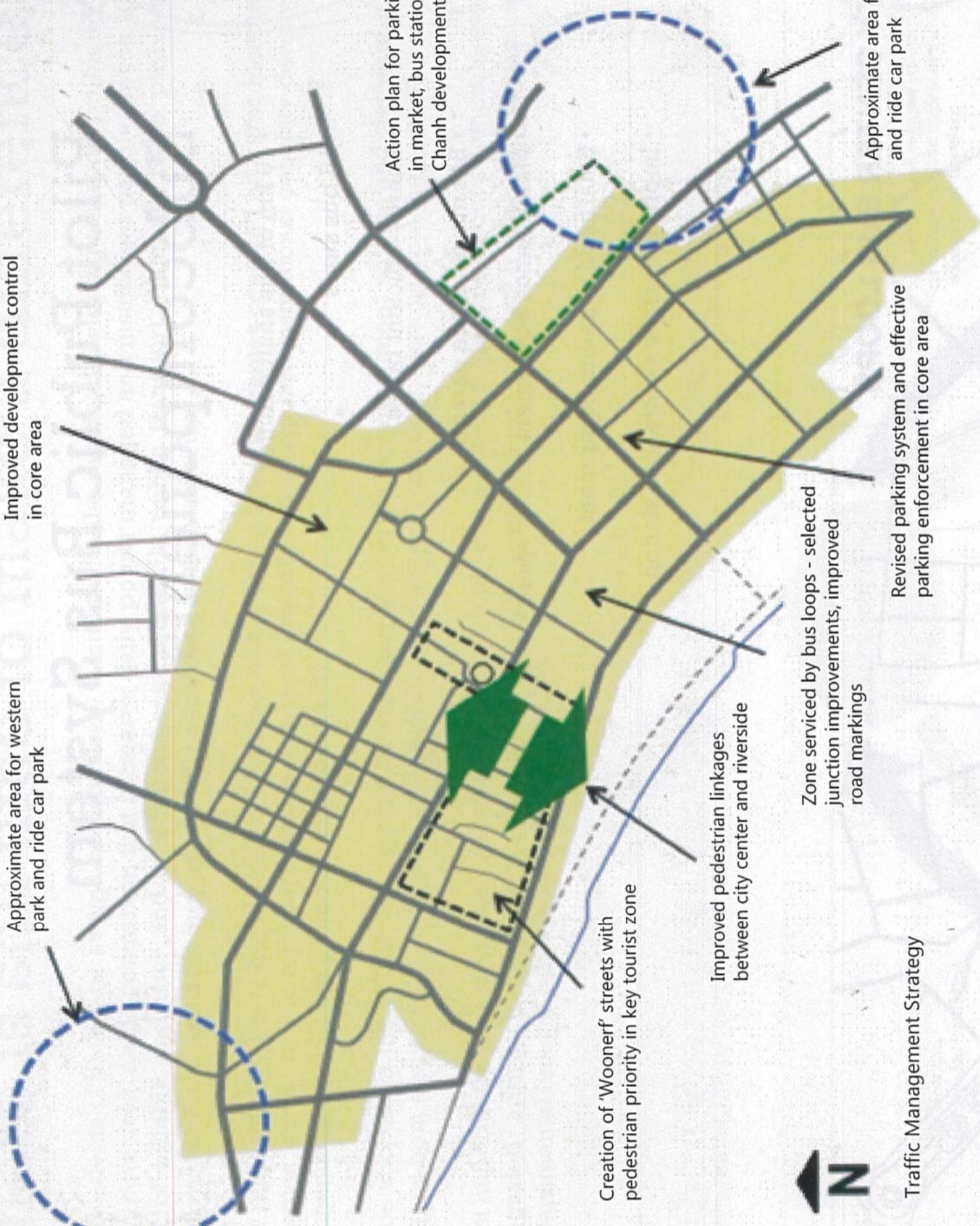
Zone serviced by bus loops - selected junction improvements, improved road markings

Creation of 'Woonerf' streets with pedestrian priority in key tourist zone

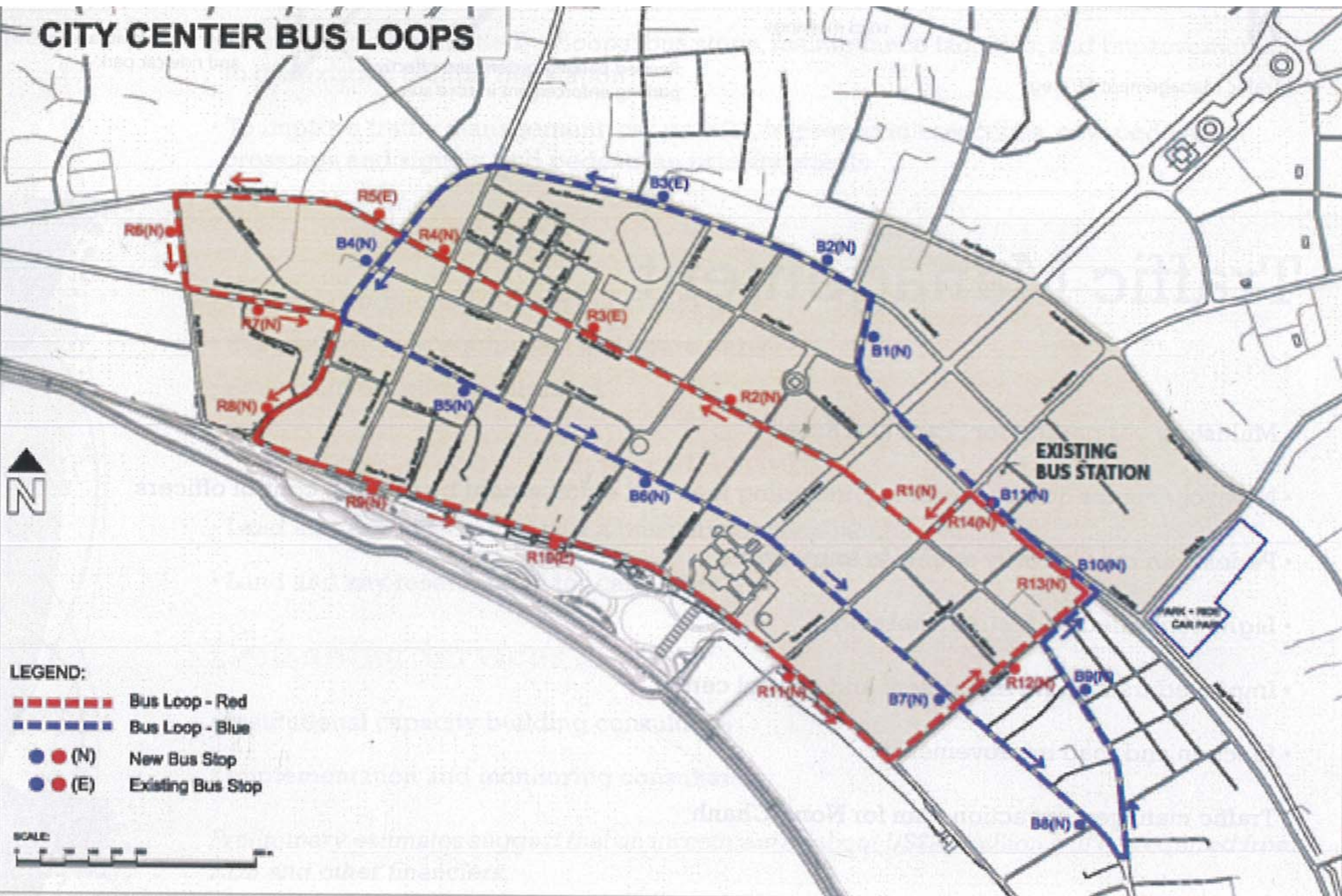
Improved pedestrian linkages between city center and riverside



Traffic Management Strategy



CITY CENTER BUS LOOPS



I. THE PROJECT

A. Rationale

1. The proposed project will support the piloting of a sustainable urban transport (SUT) system in the core area of Vientiane Capital City, in preparation for mainstreaming of the piloted system in other Lao urban areas.¹ The city core was selected as a pilot area under an ADB regional technical assistance (TA) for implementation of urban transport; the TA included a study of the possibility for a Vientiane SUT initiative.² The project will focus on three components: (i) supporting the establishment and operation of a pilot environmentally sustainable transport agency, conceived as an integrated urban transport organization; (ii) pilot public transport services and facilities; and (iii) a demonstration traffic management scheme including a parking structure and facilities.

2. Vientiane Capital City is composed of nine districts encompassing almost 4,000 square kilometers (km²) and an estimated population of about 750,000. The principal urbanized areas make up four of the districts and have an estimated population of about 500,000. The focus of the project is the central core of the city, measuring about 1.6 km². This is a relatively narrow area about 2.5 km in length lying along the northern banks of the Mekong River. The city core has a rich mixture of governmental, educational, religious, commercial, financial, and residential development. An important feature of the central part of Vientiane is the Conservation Zone, also referred to as the heritage zone. This area is also the tourist center of the city, containing many of the hotels, restaurants, and cultural attractions, including five historical Buddhist temples. Almost all of the city core lies within the Conservation Zone.

3. With increases in population and the number of vehicles, the traffic conditions in Vientiane are deteriorating. The city is starting to experience congestion and related problems of accidents, deteriorating local air quality, and greenhouse gas emissions due to the rapid growth of private motorized vehicle use. Following an 11% average annual increase in private vehicles over the last decade, the total number of vehicles registered in Vientiane has doubled over the last five years. With congestion and associated concerns about local air quality, travel times, accidents, and a deteriorating urban environment, the rapid increases in private motorized transport are placing Vientiane on an unsustainable transport development path. At present, public transport within the core area of Vientiane is largely provided by privately operated vehicles, particularly three-wheeled tuk-tuks. While the Vientiane State Bus Company provides service from the core area to other points in the greater Vientiane area on routes radiating from the central bus station, there is no bus service linking points within the core area.

4. The project is aligned with Lao PDR's Seventh National Economic and Social Development Plan (NESDP), the goals of which include sustainable economic development. For its work in scoping the project, the regional TA study for Vientiane SUT received wide support from relevant government agencies³. The project is consistent with the draft National Strategy and Action Plan for Environmentally Sustainable Transport, currently under government review. The project supports ADB's Lao PDR country partnership strategy for 2012-2016, which has as its overarching objective inclusive and sustainable economic growth and poverty reduction, with a focus on improved urban services to meet the challenges of rapid

¹ A PPTA is included in the project concept (Appendix 4).

² ADB. 2011. *Technical Assistance for Implementation of Asian City Transport - Promoting Sustainable Urban Transport in Asia*. Manila (TA 7243-REG).

³ The study was completed in March 2011. A workshop to discuss the study findings was held in Vientiane – 2011.

urbanization agenda.⁴ The project also supports ADB's Sustainable Transport Initiative⁵ and is included in ADB's Lao PDR Transport Sector Assessment, Strategy, and Roadmap.

5. In the transport sector, the Japan International Cooperation Agency (JICA) is the most active development partner providing technical assistance to the city of Vientiane in urban transport. Recent studies supported by JICA include (i) the 2008 Vientiane urban transport master plan, including the ongoing follow up study to improve the public bus capacity in Vientiane; and (ii) the Vientiane urban master plan. JICA is now financing procurement of 42 new buses for the Vientiane State Bus Company. The buses will be used on 8 routes radiating from the central bus terminal in the Vientiane core area to other parts of the city. There are no plans at present for the buses to be used for service within the core area. The Vientiane State Bus Company is a state-owned enterprise facing a number of key issues, particularly financial sustainability.

6. An Asian Development Fund (ADF) loan in the amount of \$10 million is included in ADB Country Operation's Business Plan (COBP) 2012-2014.

B. Impact, Outcome, and Outputs

7. The project's impact will be the development of the Vientiane city core area in an environmentally sustainable and pedestrian-friendly manner. The project outcome will be improved urban transport capacity and operations in the Vientiane City core area. The problem tree is in Appendix 2, and the preliminary design and monitoring framework is in Appendix 3.

8. The project will have three outputs: (i) an operational pilot environmentally sustainable transport agency for Vientiane; (ii) an operational pilot public transport service (shuttle bus loops) for the Vientiane core area; and (iii) demonstration core area traffic management improvements with respect to parking arrangements, pedestrian facilities, and street traffic control and signage. Development of private sector involvement in achieving these outputs will be a key objective during project preparation. Preliminary indications are that private sector involvement is most likely in operation of the public transport service and parking facilities.

C. Investment and Financing Plans

9. The tentative project cost is approximately \$28 million. Civil works are expected to account for 35% of project costs, land acquisition for 15%, and vehicles and equipment for 13%. A loan in the amount of \$10 million from ADF is included in the Lao PDR Country Operations Business Plan (COBP) 2012–2014. An amount of \$17.0 million is expected to be funded by co-financiers.⁶ The Government will provide \$1.0 million in counterpart funds, which is expected to finance taxes and project administration. The tentative financing plan appears in Table 1.

⁴ ADB. 2011. *Lao People's Democratic Republic. Country Partnership Strategy, 2012-2016*. Manila

⁵ ADB. 2010. *Sustainable Transport Initiative: Operational Plan*. Manila.

⁶ Discussions on cofinancing are underway with a number of development partners including AusAID, EIB, KEXIM, KfW, and NDF.

Table 1: Tentative Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank	10.0	35.7
Cofinanciers ^a	17.0	60.7
Government	1.0	3.6
Total	28.0	100.0

ADF= Asian Development Fund

^a To be identified.

Source: Asian Development Bank estimates

D. Indicative Implementation Arrangements

10. The executing agency for the project will be the Ministry of Public Works and Transport. The implementing agency will be the Vientiane Pilot Environmentally Sustainable Transport Agency. A consulting firm will be engaged for project implementation and capacity building and will be recruited through Quality and Cost-Based Selection (QCBS) basis,⁷ for an amount of about \$3.7 million. The project is expected to include international competitive bidding for civil works in the amount of about \$9.7 million and procurement of goods in the amount of about \$3.7 million through international shopping. Advance contracting and retroactive financing will be considered.

II. TECHNICAL ASSISTANCE

11. There will be a need during project implementation and operation for capacity development assistance. The most appropriate means for financing these services will be determined during project processing. Financing options include the ADB loan or cofinancing or through capacity development TA, if funds can be made available. It is expected that these services would be provided through an individual consultant and would commence about 1 year before project completion, and continue for about 5 years during implementation.

III. DUE DILIGENCE REQUIRED

12. A project preparatory technical assistance (PPTA) in the amount of \$700,000 will be required to conduct necessary due diligence as a basis for the project design. The PPTA is described in detail in Appendix 4.

13. Due diligence will be conducted in the following areas:

- (i) **Technical.** Technical viability (in particular with regard to the choice of bus and ticketing equipment, and parking fee collection technology and associated processing and management systems),
- (ii) **Economic and Financial.** Economic and financial viability and sustainability of the project and the financial sustainability of the PEA, including assessment of demand and alternative and least cost analysis and taking into account benefits not typically considered in transport projects inclusion of non-traditional benefits in economic analysis;
- (iii) **Governance.** Statutory, other public legal, institutional, public financial management, procurement, and capacity issues important for effectiveness and

⁷ Selection will be based on an 80% technical and 20% cost basis.

- efficiency of project implementation and subsequent operation and maintenance will be examined;
- (iv) **Private sector participation.** Involvement of private sector in operations of project outputs, such as bus routes and parking garages.
 - (v) **Social, poverty, and gender.** Poverty and social impact assessments, proactive gender analysis and preparation of a project-specific Gender Action Plan, including assessment of justification for upgrading category from some gender benefits to effective gender mainstreaming;
 - (vi) **Safeguards.** Environment, resettlement and indigenous peoples impacts (indicative safeguards categorizations were B for environment and resettlement and C for indigenous peoples);
 - (vii) **Implementation capacity.** A financial management assessment and a procurement capacity assessment of the EA/IA will be undertaken.

IV. PROCESSING PLAN

A. Risk Categorization

14. The project is categorized as complex, due to the need to establish the Pilot Environmentally Sustainable Transport Agency, which will be the implementing agency for the project; (ii) the need for coordination among a number of government institutions; and (iii) the potential issue of financial sustainability.

B. Resource Requirements

15. About 60 person-weeks of staff input from transport specialist, environment and resettlement safeguards specialists, economist, financial specialist, counsel, and project analysts will be required for due-diligence and processing of the loan. In addition, 19 person-months of international and 16.5 person-month of national consulting services will be required to prepare the project. The consulting inputs will include engineers; economists; environment and social development and gender specialists; and institutional, financial, and procurement specialists.

C. Processing Schedule

Table 2: Proposed Project Preparation and Processing Schedule

Milestones	Expected Completion Date
Concept paper approval	December 2011
Selection of TA consultants	January 2012
PPTA start	February 2012
PPTA completion	August 2012
Reconnaissance Mission	August 2012
Loan fact-finding	September 2012
Interdepartmental Review /Sector Focused Peer Review	October 2012
Management review meeting	November 2012
Loan negotiations	December 2012
Board consideration	February 2013
Loan effectiveness	May 2013

V. KEY ISSUES

16. Key issues are listed in Table 3.

Table 3: Key Issues to be Addressed

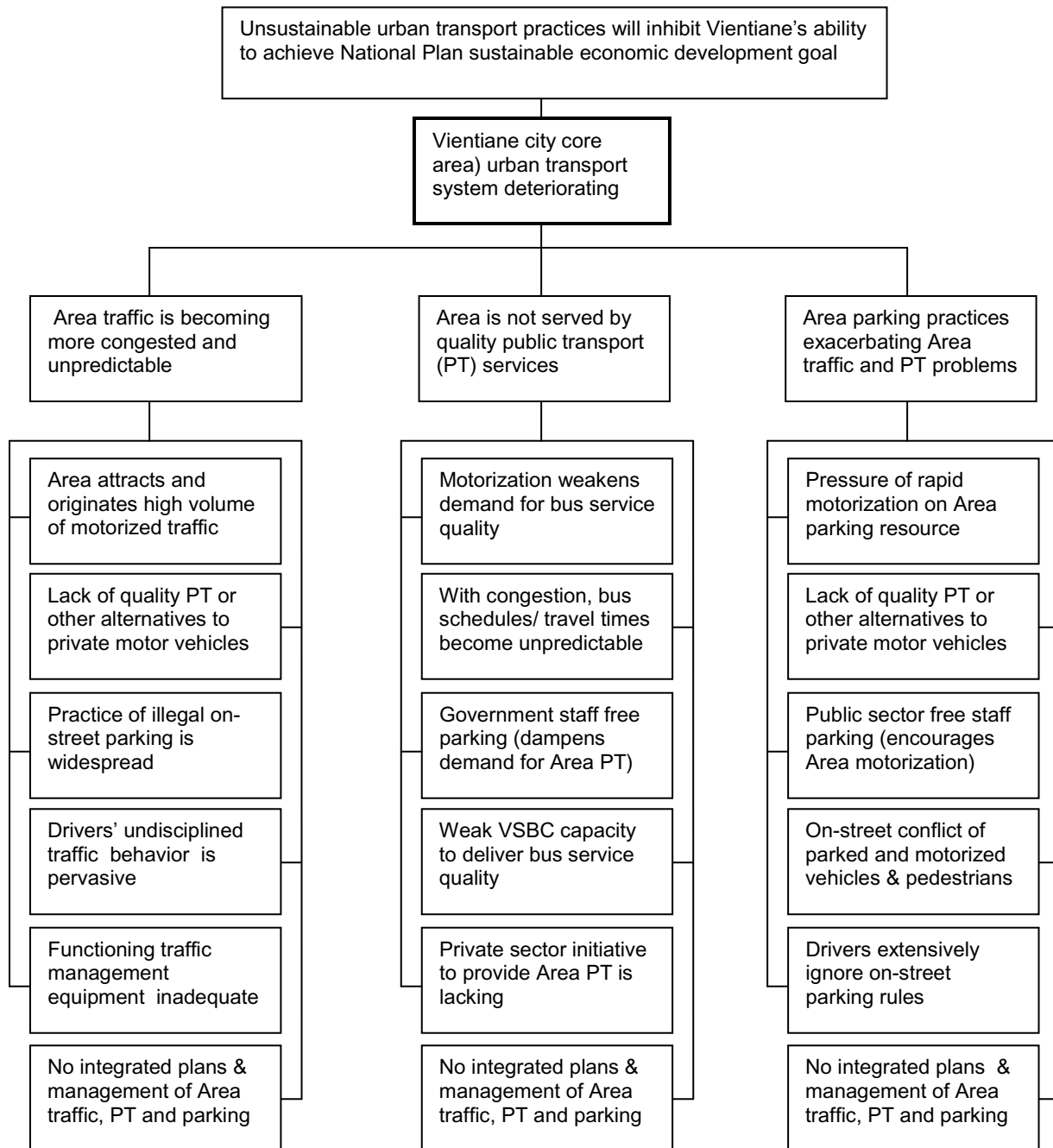
Issue	Description	Required Action to be Taken
Integrated approach to project implementation and operations	Responsibility for traffic management, public transport and parking in core area to be integrated under one unique entity, the pilot environmentally sustainable transport (EST) agency (PEA).	Preliminary confirmation from a representative cross section of governmental decision makers in support of an integrated and coordinated approach using the PEA concept.
Financial sustainability	The institutionalization of fiscal measures designed to ensure financial sustainability of bus system operations.	MOF will need to move forward with establishing an EST tax (or similar fiscal measure) for presentation to the National Assembly
Operational sustainability	PEA needs to be established within the government organizational structure	MPWT or other entity will need to move forward with the establishment of a PEA, including drafting of pilot EST MOU among stakeholder entities
Private sector participation	Involvement of private sector entities in operation of project outputs, such as bus routes and parking garages.	Consultation with potential private sector entities and determination of arrangements for private sector participation.
Bus maintenance facility site	Identify location of the site for the bus maintenance facility.	Government to provide a short list of possible sites for the bus maintenance facility
Traffic demand management (TDM)	Utilization of traffic demand management (TDM) approaches in core, particularly regarding parking, i.e. the requirement that users of parking pay the costs directly	Government to confirm that it supports TDM approaches in the core area of Vientiane
Car park facility site(s)	Identify location of sites for the car park.	Government to provide a short list of sites that can be made available for the car park facility
Parking rule enforcement	The PEA will employ traffic wardens to enforce parking rules	Government to agree to enforcement of parking rules.

BASIC PROJECT INFORMATION

Aspects	Arrangements
Modality	Project loan
Financing	ADF loan
COBP/RCOBP	The project is included in the Lao PDR COBP 2012–2014.
Classification	<p>Sector (subsectors): Transport (urban)</p> <p>Themes (subthemes):</p> <p style="padding-left: 40px;"><i>Promoting economic efficiency and enabling business environment;</i></p> <p style="padding-left: 40px;"><i>Public administration; and</i></p> <p style="padding-left: 40px;"><i>Institutional development.</i></p> <p>Targeting classification: general intervention</p> <p>Gender mainstreaming category: some gender benefits (may be upgraded to effective gender mainstreaming, subject to the results of the gender analysis to be done as part of the PPTA,)</p> <p>Location impact: urban (high)</p> <p>Safeguards: environment (Category B), involuntary resettlement (Category B), indigenous peoples (Category C) (expected categorizations, subject to change based on the specific sites for project facilities to be determined as part of the PPTA).</p>
Risk categorization	Complex
Partnership(s)	Under discussion with AusAID, EIB, KEXIM, KfW, NDF
Use of a PBA	No PBA will be used.
Parallel PIU	A parallel PIU will be not be established or used.
Department and division	Southeast Asia Department (SERD), Transport and Communications Division
Mission leader and members	Jeffrey M. Miller, Principal Transport Specialist; Mailene Buendia, Senior Safeguards Specialist (Resettlement); Jong-Hyun Nam, Safeguards Specialist; Kang Hang Leung, Finance Specialist; Nilo Farrofo, Senior Project Officer; Phomma Chanthirath, Senior Project Officer (Infrastructure), LRM; Theonakhet Saphakdy, Gender and Development Specialist, LRM (consultant); Counsel, TBD,

ADB = Asian Development Bank, ADF = Asian Development Fund, COBP = country operations business plan, DMC = developing member country, MFF = multitranche financing facility, OCR = ordinary capital resources, PBA = programmatic based approach, PIU = project implementation unit, RCOBP = regional cooperation operations business plan, TA = technical assistance.

PROBLEM TREE



Motorization is here used as shorthand for the propensity for trip-making in a private motor vehicle
 SBCV=Vientiane State Bus Company

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
Impact			Assumptions
The Vientiane City core area develops in an environmentally sustainable and pedestrian-friendly manner	<p>Increase in modal share of public transport and non-motorized transport to 30% each by 2020</p> <p>Reduction by 15% in emissions of GHG [CO₂, methane (CH₄), nitrous oxide (N₂O) and certain halocarbons] by 2020</p> <p>Reduction of 25% in vehicle and pedestrian traffic accidents within Vientiane City core area by 2020. (accidents: fatalities, serious and minor)</p>	<p>Government statistics and project developed monitoring mechanisms</p> <p>Air quality data of WREA monitoring stations</p> <p>Government accident data records</p> <p>Government budget records</p> <p>Reports and records of the new PEA</p>	<ul style="list-style-type: none"> • Government approves and is committed to the National Strategy and Action Plan on EST • Government establishes a monitoring system of transport related emissions and accidents in support of the National EST Strategy
Outcome			Assumptions
Improved urban transport operations and capacity in the Vientiane City core area	<p>Government agreement to develop sustainable urban transport projects and policies in Vientiane Capital City with ADB support</p> <p>Establishment of financial mechanism to insure continuing operation and expansion of the PEA</p>	<p>ADB project monitoring documents, mid-term reviews, and project completion report(s)</p> <p>Reports and records of the new PEA</p>	<ul style="list-style-type: none"> • National Assembly approves a new tax for sustainable funding of PEA • Effective cooperation among governmental units, donors and private sector entities <p>Risks</p> <ul style="list-style-type: none"> • Government fails to approve and/or commit to policies of National EST Strategy
Outputs			
1. A sustainable operating Vientiane transport organization	<p>Establishment of the PEA</p> <p>Passage of legislation by NA to support sustainability of the PEA</p> <p>Training and capacity building carried out at new PEA</p>	<p>Final PPTA Report</p> <p>ADB project monitoring reports</p> <p>Implementation and Monitoring Consultants and the Institutional Capacity Building Consultants Reports</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Government approval and commitment to deliver and support EST for urban transport in Vientiane <p>Risks</p> <ul style="list-style-type: none"> • Government fails to support establishment of PEA and/or pass tax legislation to fund PEA
2. An operating pilot public transport service (shuttle bus loops) for Vientiane core area.	<p>Training and capacity building carried out at new PEA</p> <p>Buses procured and delivered</p> <p>Shuttle bus system implemented and operating</p> <p>Land for bus maintenance</p>	<p>Final PPTA Report</p> <p>ADB project monitoring reports</p> <p>Implementation and Monitoring Consultants and the Institutional Capacity Building Consultants Reports</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Government and existing public transport entities will support pilot public transport project <p>Risks</p> <ul style="list-style-type: none"> • Objections to new public transport services from VSBC or other entities

Design Summary	Performance Targets/Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
	facility obtained and facility implemented and operational		
3. Traffic management sub-projects implemented including car park, on-street parking, pedestrian facilities, traffic lights, road markings, and support for the traffic control center.	Land for car park obtained and car park designed and constructed Various sub-projects implemented and operational	Final PPTA Report ADB project monitoring reports Implementation and Monitoring Consultants and the Institutional Capacity Building Consultants Reports	Assumptions • Government committed to support and implement traffic management improvements in Vientiane core area
Activities with Milestones			Inputs
<ol style="list-style-type: none"> 1. Establishment of sustainable operating Vientiane transport organization <ol style="list-style-type: none"> 1.1. National EST Strategy and Action Plan approved by Government by December 2011 1.2. National Assembly approves sustainable funding legislation for PEA by July 2012 1.3. EST MOU finalized and signed by July 2012 1.4. Establishment of PEA approved by Government by August 2012 1.5. Detailed design consultant (national) mobilized by October 2012 1.6. Implementation and Monitoring Consultants mobilized by February 2013 1.7. Institutional Capacity Building Consultants mobilized by June 2013 1.8. PEA operational by July 2013 1.9. Carry out community awareness raising and participation program(s) by March 2016 2. Establishment of operating pilot public transport service <ol style="list-style-type: none"> 2.1. Government obtains land for bus maintenance facility by November 2012 2.2. Procurement of bus maintenance equipment and construction of bus maintenance facility complete by September 2015 2.3. Bus procurement and delivery of buses by November 2015 2.4. Operations and Maintenance Training complete by July 2016 2.5. Bus shuttle test runs complete and system begins operations by July 2016 3. Implementation of traffic management subprojects <ol style="list-style-type: none"> A. Car Park. <ol style="list-style-type: none"> A.1. Government obtains land for development of a car park facility by October 2012 A.2. Detailed design of car park completed by February 2013 A.3. Tendering completed and construction contract awarded by July 2013 A.4. Construction of car park completed by February 2016 B. Traffic Management <ol style="list-style-type: none"> B.1. Procurements parking meters, traffic signaling systems, traffic control center equipment, tow trucks and other equipment complete by July 2015 B.2. Implement 'Woonerf' street and walkability improvements by November 2015 B.3. Upgrading/improving intersections, pavement markings improvements and upgrade signalized intersections and traffic control center by April 2016 C. Safeguards <ol style="list-style-type: none"> C.1. Resettlement plan approved by August 2012 C.2. Environmental Management Plan approved by August 2012 			<p>ADB: \$10 million</p> <p>Cofinanciers: \$17 million</p> <p>Government: \$1 million</p>

ADB = Asian Development Bank, EST = environmentally sustainable transport, GHG = greenhouse gases, MOU = memorandum of understanding, NA = National Assembly, PEA = Pilot Environmentally Sustainable Transport (EST) Agency, PPTA = project preparatory technical assistant, TA = technical assistance, VSBC = Vientiane State Bus Company, WREA = Water Resources and Environmental Agency

PROJECT PREPARATORY TECHNICAL ASSISTANCE

1. The PPTA will prepare the initial pilot sustainable urban transport (SUT) project for Lao PDR. The project will be based on the concept of providing sustainable urban transport solutions for the core area of Vientiane, and act as a catalyst for further SUT work in Vientiane, and ultimately throughout the country. The project will directly contribute to the outcome of ADB's STI¹, which recognizes that the "emerging urban transport problem will be the biggest transport challenge for developing Asia and the Pacific in the coming years".

A. Justification

2. ADB carried out a prefeasibility TA² during 2010–2011 to scope out concepts and subprojects for possible inclusion in the project, as well as to prepare indicative investment and financing plans. Based on the results and recommendations of that prefeasibility study, a project preparatory technical assistance (TA) is now needed to develop a project suitable for ADB funding in terms of technical, financial, economic, institutional, sector policy, legal, and safeguard contexts.

B. Major Outputs and Activities

3. This is a pilot project that will be breaking new ground for traffic management and the provision of public transport in Vientiane. The outputs will be realized based on assessments of current awareness, capacity and needs in the provision, use, management and regulation of the urban transport system in Vientiane, an institutional framework, funding mechanism and provision of a capacity building component of the pilot project. It is envisioned that a pilot EST Agency (PEA) under joint oversight of all stakeholder agencies will implement and manage the operation and maintenance of the pilot project. The pilot entity's work will be funded through a fiscal measure designed to ensure financial sustainability, and supported by a capability building program that includes strengthening of its management through specialized consulting services commencing at the beginning of implementation and retained through the start-up phase of operations, and an awareness and community participation program to promote public ownership of the project.

4. The major outputs and activities are summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Review TA/other reports	Mar 2012	Interim phase tripartite meeting	Apr 2012
Traffic studies	Apr 2012	Interim report	Apr 2012
Social-economic baseline studies	Apr 2012	PEA framework organization report	May 2012
Engineering site investigations	May 2012	Draft EST MOU for the PEA	May 2012
PEA institutional framework design	Jun 2012	Conceptual car park design(s)	Jul 2012
New public bus system analysis and design	Jun 2012	Conceptual bus maintenance facility design(s)	Jul 2012
Civil works conceptual designs	Jun 2012	Conceptual traffic management improvement designs	Jul 2012
Financial Analyses	Jul 2012	Detailed project cost estimate	Jul 2012
Economic Analyses	Jul 2012	Project Implementation schedule	Jul 2012
Finalize implementation scope	Aug 2012	TOR capacity development technical assistance consultant	Jul 2012

¹ ADB. 2010. *Sustainable Transport Initiative Operational Plan*. Manila.

² ADB. February 2011. Lao People's Democratic Republic: Prefeasibility Study Report, TA 7243: Implementation of Asian City Transport, Vientiane Sustainable Urban Transport Project. Manila.

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Costing and scheduling	Aug 2012	TOR Implementation and monitoring consultant	Jul 2012
		Resettlement Plan	Aug 2012
		Gender Action Plan	Aug 2012
		Environmental Management Plan	Aug 2012
Design of consulting services during Implementation	Jul 2012	Draft final phase tripartite meeting	Aug 2012
		Draft final report	Aug 2012
		Final report	Sep 2012

EST = environmentally sustainable transport; MOU = memorandum of understanding; PEA = pilot EST agency; TA = technical assistance;

Source: ADB

C. Cost Estimate and Proposed Financing Arrangement

5. The TA is estimated to cost \$700,000 equivalent, which will be financed on a grant basis by the Japan Fund for Poverty Reduction, and administered by ADB. The Government will provide in-kind financing to support the TA implementation.

6. The detailed cost estimate is presented in Table A4.2.

Table A4.2: Cost Estimates and Financing Plan
(\$'000)

Item	Total Cost
A. Japan Fund for Poverty Reduction^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (23 person-months)	459.8
ii. National consultants (6.5 person-months)	55.5
b. International and local travel	42.0
c. Reports and communications	26.3
2. Vehicle ^b	7.0
3. Surveys	17.0
4. Miscellaneous administration and support costs	26.2
5. Contingencies	66.2
Subtotal (A)	700.0
B. Government Financing (in-kind)	
1. Office accommodation and transport	
2. Remuneration and per diem of counterpart staff	
3. Surveys and data collection	
4. Contingencies	
Subtotal (B)	
Total	700.0

^a Administered by the Asian Development Bank.

^b Vehicle will be rented for 7.5 months including driver in order to provide transport to staff undertaking field investigations, data collections, interview with affected persons and to attend project related meetings.

Source: ADB

D. Consulting Services

7. The services will require a total of 11 specialists, including a total of 19 person-months of international consultants and 16.5 person-months of national consultants. The consultants will be recruited through a firm on a Quality and Cost-Based Selection (QCBS) basis⁴ in

⁴ Selection will be based on an 80% technical and 20% cost basis.

accordance with ADB's *Guidelines on the Use of Consultants*. A simplified technical proposal will be required.

Table A4.3: Summary of Consulting Services Requirement

International Name of Positions	Person- months	National Name of Positions	Person- months
Team Leader/Urban Transport Specialist	6.5	Deputy Team Leader /Financial/Institutional Specialist	6.5
Financial/Economic/Institutional Specialist	5.0	Traffic Engineer	2.0
Urban Transport Planner	3.5	Urban Planner	3.0
Resettlement/Social/Gender Specialist	2.0	Resettlement/Social/Gender Specialist	2.5
Environmental Specialist	1.0	Environmental Specialist	2.5
Private Sector Specialist	1.0		

Source: ADB

8. The qualifications, responsibilities, and tasks for the positions listed in Table A5.2 are:
- (International) Team Leader/Urban Transport Specialist (International). He/she shall have the overall responsibility for the management of the consultant PPTA team, and also carry out specific urban transport tasks in the development of traffic management subprojects, and developing the operational concept of the multi-storey car park(s); have a minimum of 15 years' experience in carrying out feasibility studies, and in the design of urban and related transport projects; and shall have significant experience in developing countries. The specialist shall have some relevant experience in Lao PDR.
 - (National) Deputy Team Leader/Financial/Institutional Specialist and (International) Financial and Economic/Institutional Specialist. The national specialist shall support and represent the team leader as required. They shall be responsible for obtaining data and information, and for carrying out various financial analyses for the implementation and operations of the pilot integrated urban transport agency (International). The international specialist shall also carry out required traffic demand forecast and economic analyses of the overall integrated project, including alternative and least cost analysis, taking into account benefits not typically considered in transport projects. She or he will assess the financial management capacity of the executing/implementing agencies for the ensuing project, and will design the funds flow/disbursement mechanism of the ensuing project, based on the assessment. Examine governance issues that may arise during project implementation, particularly those related to establishment and operation of the PEA and to the bus services to be provided. Both shall have a minimum of 10 years relevant experience on similar and/or transport projects.
 - (International) Urban Transport Planner and (National) Urban Planner. They shall work as a team and complement each other's work, and shall have relevant experience on similar projects, with relevant experience in Lao PDR, and experience working with Lao governmental entities being an advantage.
 - (International and National) Resettlement/Social/Gender Specialist. They shall work as a team in the analyses of resettlement, social and gender issues, and in the preparation of a project resettlement plan. Examine the gender impact of the project, including the potential to promote gender equality and/or women's empowerment by improving women's access to public transport and determining if the project qualifies as effective gender mainstreaming. Based on the determination of classification, prepare a gender action plan. They shall have a strong background in applications of ADB or other internationally accepted safeguard standards.
 - (International and National) Environmental Specialist. They shall work as a team in the analyses of environmental issues, and in the preparation of a project environmental

management. They shall have a strong background in applications of ADB or other internationally accepted safeguard standards.

- Traffic Engineer. He/she shall be responsible for developing a methodology for designing and carrying a series of origin and destination traffic surveys, and developing a demand analyses for public transportation, and for parking within the project area.
- Private sector specialist. He/she will examine the possibility for private sector participation in the project, including the most appropriate means for PSP.

E. Implementation Arrangements

9. The executing agency for the PPTA will be the Ministry of Public Works and Transport (MPWT). The joint implementing agency for the PPTA shall be the Department of Transport of MPWT and the Vientiane City Department of Public Works and Transport (DPWT). No project management unit will be required.

10. The proposed TA processing and implementation schedule is listed in Table A4.4.

Table A4.4: Proposed Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Issuance of Request for Proposals of Shortlisted Firms	December 2011
Receipt of Proposals	January 2012
Selection of PPTA Consultant	January 2012
Negotiations with selected PPTA Consultant	January 2012
Commencement of Services	February 2012
Completion of Services	August 2012
Financial Closure of PPTA Contract	October 2012

Source: ADB

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	LAO	Project Title:	Vientiane Sustainable Urban Transport
Lending/Financing Modality:	Project	Department/ Division:	SERD/SETC

I. POVERTY ISSUES

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

Based on the country poverty assessment, the country partnership strategy and the sector analysis, describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

The benefits of the project will be improved transport and pedestrian access in the core area of Vientiane, and the development of institutions to manage and support sustainable transport in Vientiane. The project will help alleviate poverty by (i) mitigating the health and safety risks associated with an unplanned urban traffic, (ii) providing more affordable public transport in Vientiane, and (iii) contributing to increased tourism and the related economic benefits.

Lower income residents comprise the majority of pedestrians, street-side vendors, and users of non-motorized transport in Vientiane and are thus the segment of the population most vulnerable to the hazards of unplanned and unregulated urban transport. The poor are therefore most vulnerable to death or injury from vehicular accidents, and the loss of the main income-earner can cause an entire family to enter or become even further entrenched in poverty. They are also most vulnerable to health effects of exposure to air pollution from vehicles. The measures to improve traffic operations in the core area of Vientiane, including much greater use of bus transport, will mitigate the negative economic and other impacts on poorer residents of Vientiane. The project will provide more affordable public transport in Vientiane. This will directly contribute to poverty reduction by decreasing transport expenses for the poor. It will also indirectly contribute to poverty reduction by improving the access of the poor to employment opportunities.

B. Targeting Classification

Select the targeting classification of the project:

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

Explain the basis for the targeting classification:

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?
2. What resources are allocated in the PPTA/due diligence?
The PPTA consultant team will include a social impact specialist who will conduct the poverty impact analysis.
3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? Please explain. This will be examined during the PPTA.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?
Lower income residents of Vientiane.
2. What are the potential needs of beneficiaries in relation to the proposed project?
Reliable, low-cost urban transport.
3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?
The major constraint is the sustainability of the urban bus system in Vientiane. Addressing this issue is a key component of the PPTA and project.

B. Consultation and Participation			
1. Indicate the potential initial stakeholders.			
Lower income residents of Vientiane.			
2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)? Workshops, meetings with stakeholders.			
3. What level of participation is envisaged for project design?			
<input checked="" type="checkbox"/> Information sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaborative decision making <input type="checkbox"/> Empowerment			
4. Will a C&P plan be prepared during the project design for project implementation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain.			
C. Gender and Development		Proposed Gender Mainstreaming Category: _____	
1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program? The primary gender issue related to urban transport in Vientiane is access to public transport. This and other potential gender issues will be studied further during the PPTA.			
2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?			
<input type="checkbox"/> Yes <input type="checkbox"/> No Please explain.			
This issue will be examined during the PPTA. If there is significant potential, a gender action plan will be prepared as part of the PPTA.			
3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?			
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain			
III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Nature of Social Issue	Significant/Limited/No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	There may be some land acquisition and/or involuntary resettlement arising from construction of parking garages and setting out of bus routes.	Will depend on the location of the facilities, which will be determined during the PPTA. However, given the relatively small size of the facilities, the categorization is expected to be B.	<input checked="" type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> Environmental and Social Management System Arrangement <input type="checkbox"/> None <input type="checkbox"/> Uncertain
Indigenous Peoples	The number of indigenous peoples living in the project area (the core area of Vientiane) is minimal, if any at all.	No impact.	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Planning Framework <input type="checkbox"/> Environmental and Social Management System Arrangement <input checked="" type="checkbox"/> None <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	Typical issues regarding employment related to transport infrastructure construction.	Limited.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Affordability of transport in Vientiane is a key issue to low-income residents.	The project will have a positive impact through improvement of transport in Vientiane.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	Since the project location is in Vientiane, which already has significant construction activities, the project does not present an additional risk in these areas.	No impact expected.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide details. If no, please explain why.</p>			