

## Project Map ( Location )



## PROJECT INFORMATION

The Government of Lao PDR (GoL) and the Ministry of Public Works and Transport (MPWT) are exploring Public-Private Partnerships (PPP) as a means to raise innovative finance to meet the significant infrastructure needs in the country's road sector.

The GoL requested the World Bank Group (WBG) to assist in implementing a "pilot" PPP Project (Project) involving the selection of a private concessionaire to improve, operate, and maintain a 136km section of the 13N road and 131km section of the 13S road. The WBG, including the World Bank, the Public-Private Infrastructure Advisory Facility (PPIAF), and the International Finance Corporation (IFC), will aim to provide assistance throughout the Project duration at the institutional level and transaction execution.

The World Bank and the PPIAF will provide support for PPP regulatory framework development, capacity building and institutional strengthening of the MPWT for the pilot PPP. The World Bank will also explore opportunities for financing technical assistance for a longer-term supervision and management of any concession. In relation to the technical aspects of the Project, under the Additional Financing of the Lao Road Sector Project, the World Bank is currently financing the detailed feasibility study for the Project, including an Environmental and Social Impact Assessment.

IFC will provide technical support to the MPWT in the commercial and environmental and social aspects such that the Project is prepared as per best international practice and ensure that the Project structure is a bankable one to attract the best international investors. IFC will also provide support for the legal aspects of the Project by providing drafts of the necessary contractual agreements and tender documents in accordance with international best practice and which may also be adopted for other future PPPs in the sector.

For information requests or for clarifications, please contact MPWT Investor Relations at Mr. OulayPhadouangdeth at [oulaympwt@rocketmail.com](mailto:oulaympwt@rocketmail.com) and Mr. SaysanaSaphakdy at [saphakdy.ss@mpwt.gov.la](mailto:saphakdy.ss@mpwt.gov.la) with copy to Ms. Grace Miso at [rmiso@ifc.org](mailto:rmiso@ifc.org).

## PROJECT UPDATES

From: Vientiane Times 5 February 2014

### Study underway on tollway development

Khomesavanh Lutsaphao

Parts of Road 13 North and Road 13 South are now being surveyed for redevelopment into two and four-lane highways to cater for the large increase in traffic using these roads.

The Major Roadway Improvement Project is being carried out by a public/private

partnership.

“Our government recognises the need to expand and improve its national road network in response to the rapid increase in traffic, to improve road safety and to ease congestion,” Minister of Public Works and Transport, Mr Sommad Pholsena said in a workshop in Vientiane yesterday.

The survey and new road design are expected to be completed this year and the tenders for the construction works will be called for next year.

The road development, expected to be completed in 2017, aims to increase road capacity, avoid serious traffic problems and facilitate ease of movement for commercial and

non-commercial vehicles.

The project aims to increase the volume of trade and tourism in the country and improve the lives of people living along the route who will benefit from increased connectivity.

Road No. 13 North will be rebuilt from Sikeut junction in Vientiane to the bus station in Vangvieng district of Vientiane

CONTINUED PAGE 2

### Study underway... FROM PAGE 1

province, a distance of 142 kilometres.

The project will turn 57km into a four-lane highway running from Sikeut junction to Phonghong district in Vientiane province followed by an 85km two-lane stretch from there to Vangvieng all of which will be asphalt surfaced.

On Road No. 13 South, the starting point is identified as the Dongdok intersections in Vientiane with redevelopment all the way to Sivily village in Borikhamxay province, a total length of 141km.

The first 48km from

Dongdok to Phao village will be rebuilt as a four-lane highway with the remaining 93km from Phao village to the capital of Borikhamxay in Pakson district upgraded to two lanes.

Toll fees are expected to be charged for private vehicles with four or more wheels as well as buses and trucks and toll booths will be installed after the Sikeut junction and Dongdok intersection.

According to a survey of people in the villages surrounding Sikeut and Dongdok, more than 63

percent of respondents agreed to pay a toll for the use of these highways. Toll fees are expected to range from 500 to 6,000 kip per trip.

Major road development projects of this nature come under the national economic development programme of the state.

The ministry organised the workshop on Tuesday, supported by the International Finance Corporation and World Bank, to gain a better understanding about public and private partnerships in road building.



North 13 Road in Phonghong district of Vientiane province

From: The World Bank

### World Bank Group Supports Public-Private Partnership for Major Roadway Improvement Project in Lao PDR

Vientiane, Lao PDR, February 4, 2014—The World Bank Group and the Ministry of Public Works and Transport are reaching out to private sector investors for a public-private partnership aimed at enhancing the traffic capacity of National Road 13, a two-lane highway that serves as the main north-south thoroughfare in Lao People’s Democratic Republic. The project aims to increase the volume of trade and tourism in the country and improve the lives of the people living along the route who will benefit from increased connectivity.

Supported by IFC and the World Bank, the Ministry of Public Works and Transport is holding a workshop today for investors to learn more about investing in Lao PDR’s road sector and the benefits of public-private partnerships. The workshop is the first of several to be rolled out with the government over the next 12 months in Vientiane and across East Asia Pacific.

“The government recognizes the need to expand and improve its national road network in response to a rapid increase in traffic, to improve road safety and to ease congestion. The project will ensure that the roads will be well-built and maintained, and affordable for its users,” said Sommad Pholsena, Minister of Public Works and

Transport. “Improving National Road Number 13 through public-private partnerships is expected to serve as a benchmark for future projects in Lao’s transport sector.”

The government of Lao PDR plans to invite bids for construction in March 2015. Today, Road 13 can accommodate up to 20,000 users. The new road development, expected to be completed in 2017, aims to increase road capacity to an additional 30,000 vehicles a day in order to cater for an anticipated 50,000 users during peak traffic by 2030.

Following the workshop this week, IFC will offer a tailored training to about 30 officials from the Ministry of Public Works and Transport focusing on the essentials of public-private partnerships from planning to managing a bid and implementing a concession.

“We will support the ministry to build knowledge and understanding of public-private partnerships and work with the government to increase foreign investment in Lao PDR,” said Edgar Saravia, Manager of Public-Private Partnerships, IFC Advisory Services, East Asia and the Pacific.

“The World Bank Group – IFC and the World Bank – is bringing our respective expertise to support the Lao government on designing and implementing a successful public-private partnership to expand and maintain Road 13, the national backbone highway,” said Keiko Miwa, the World Bank Country Manager for Lao PDR. “We hope this will serve as a model for other public-private partnerships in the country.”

#### About the World Bank Group

The World Bank Group is one of the world’s largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world. For more information, please visit [www.ifc.org](http://www.ifc.org), [www.worldbank.org](http://www.worldbank.org), and [www.miga.org](http://www.miga.org).

### **DOCUMENTS AND REPORTS**

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