

ASIAN DEVELOPMENT BANK

COUNTRY STRATEGY AND PROGRAM UPDATE (2005-2006)

LAO PEOPLE'S DEMOCRATIC REPUBLIC

July 2004

CURRENCY EQUIVALENTS
(as of 1 July 2004)

Currency unit	–	kip (KN)
\$1.00	=	KN10,720
KN1.00	=	\$0.0000932

ABBREVIATIONS

ACMECS	–	Ayeyawaddy-Chao Phraya Mekong Economic Cooperation Strategy
ADB	–	Asian Development Bank
AFD	–	Agence Française de Développement
APB	–	Agriculture Promotion Bank
ASEAN	–	Association of Southeast Asian Nations
CSP	–	country strategy and program
CPC	–	Committee for Planning and Cooperation
EPL	–	Environmental Protection Law
EWEC	–	East-West Economic Corridor
FDI	–	foreign direct investment
GDP	–	gross domestic product
GMS	–	Greater Mekong Subregion
GTZ	–	Deutsche Gesellschaft für Technische Zusammenarbeit
IMF	–	International Monetary Fund
KfW	–	Kreditanstalt für Wiederaufbau
Lao PDR	–	Lao People's Democratic Republic
LRM	–	Lao Resident Mission
MAF	–	Ministry of Agriculture and Forestry
MCTPC	–	Ministry of Communication, Transport, Post, and Construction
MDGs	–	Millennium Development Goals
MIH	–	Ministry of Industry and Handicraft
MOFA	–	Ministry of Foreign Affairs
NDF	–	Nordic Development Fund
NEC	–	Northern Economic Corridor
NGPES	–	National Growth and Poverty Eradication Strategy
ODA	–	official development assistance
PBA	–	performance-based allocation
PRC	–	People's Republic of China
SARS	–	severe acute respiratory syndrome
Sida	–	Swedish International Development Cooperation Agency
SOCBs	–	state-owned commercial banks
STEA	–	Science, Technology, and Environment Agency
SMEs	–	small- and medium-sized enterprises
TA	–	technical assistance
UN	–	United Nations

NOTES

- (i) The fiscal year (FY) of the Government ends on 30 September.
- (ii) In this report, "\$" refers to US dollars.

CONTENTS

	Page
I. CURRENT DEVELOPMENT TRENDS AND ISSUES	1
A. Recent Political and Social Developments	1
B. Economic Assessment and Outlook	2
C. Implications for the Country Strategy and Program	3
II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM	3
A. Progress in Poverty Reduction	3
B. Progress in the Country Strategy and Program Focus Areas	4
C. Highlights in Coordination of External Funding and Partnership Arrangements	6
III. PORTFOLIO MANAGEMENT ISSUES	7
A. Portfolio Performance	7
B. Performance Monitoring and Evaluation	7
IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS	7
A. Lending Level Proposed	7
B. Nonlending Program	8
C. Summary of Changes to Lending and Nonlending Programs	8
APPENDIXES	
1. Country and Portfolio Indicators, and Assistance Pipeline	9
Table A1.1: Progress Toward the Millennium Development Goals and Targets	9
Table A1.2: Country Economic Indicators	10
Table A1.3: Country Poverty and Social Indicators	11
Table A1.4: Country Environment Indicators	12
Table A1.5: Development Coordination Matrix	13
Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings	15
Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources	16
Table A1.8: Portfolio Indicators—Evaluation Rating by Sector	17
Table A1.9: Portfolio Implementation Status	18
Table A1.10: Assistance Pipeline for Lending Products, 2005–2006	22
Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2005–2006	25
2. Concept Papers for Lending Products, 2005	27
3. Concept Papers for Nonlending Products and Services, 2005	40
4. Assistance Program for 2004	61
Table A4.1: Assistance Pipeline for Lending Products, 2004	61
Table A4.2: Assistance Pipeline for Nonlending Products and Services, 2004	62

I. CURRENT DEVELOPMENT TRENDS AND ISSUES

A. Recent Political and Social Developments

1. The Lao People's Democratic Republic (Lao PDR) has maintained a stable political environment toward 2004. Former cabinet chief of the Party Central Committee, Bouasone Boupavanh, was assigned as a deputy prime minister and the standing member of the government in October 2003. He oversees the financial and banking sector. During 2003, the government reassigned a number of important positions, including finance minister, Bank of Lao PDR governor, industry and handicraft minister, commerce minister, and National Tourism Authority president. Responsibility for aid coordination and management was transferred from the Committee for Planning and Cooperation (CPC) to the Ministry of Foreign Affairs (MOFA). To support the decentralization process, each minister has been entrusted with providing guidance to one province.

2. Regional trade flows have increased and economic cooperation with neighboring countries has been strengthened. The prime minister participated in the Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) summit between Cambodia, Lao PDR, Myanmar, and Thailand, held in Myanmar in November 2003, to discuss an action plan on priority areas for cooperation. A joint cabinet meeting led by the prime ministers of Lao PDR and Thailand was held in Pakse, Lao PDR in March 2004 to discuss bilateral cooperation. The prime minister participated in the Commemorative Summit of the Association of Southeast Asian Nations (ASEAN) and Japan held in Tokyo in December 2003 to discuss a number of issues, including free trade agreements and Mekong region development. The government of Lao PDR successfully hosted the ASEAN Tourism Forum in February 2004. Lao PDR will also host the ASEAN Summit in November 2004 and the 13th Greater Mekong Subregion (GMS) Ministerial Conference in December 2004. The Mekong River Commission Secretariat relocated to Vientiane in July 2004. In September 2003, Lao PDR signed a bilateral trade agreement with the United States.

3. While Lao PDR did not report any cases of severe acute respiratory syndrome (SARS), the government enhanced regional and international cooperation to implement preventative measures. In April 2003, the Prime Minister attended the ASEAN plus People's Republic of China (PRC) Summit on SARS in Thailand. The Prime Minister organized and chaired a consultative meeting on increasing prevention against SARS with development partners based in Lao PDR. The government gave increasing attention to the issue of human trafficking and illegal labor migration to neighboring countries during 2003, and reached agreement with Thailand and Malaysia on allowing selected categories of workers to obtain work permits in these countries. The government also established a high-level commission on trafficking of women and children in 2003.

4. The government's National Supervisory Committee for the Millennium Development Goals (MDGs) and the United Nations (UN) country team jointly prepared the first MDG progress report in January 2004 to monitor the achievement of the goals in Lao PDR as well as to help raise awareness of the MDGs among political leaders, media, and local communities. According to the report, the country's progress toward the MDGs is generally on track. However, it is necessary to secure sufficient financial resources to sustain progress and to achieve the MDG targets. The details are set out in Appendix 1, Table A1.1.

B. Economic Assessment and Outlook

5. The government estimates that gross domestic product (GDP) growth in Lao PDR for fiscal year (FY) 2003 was 5.8%, little changed from the growth rate in the previous two years. Agriculture, which accounts for just over half of GDP, expanded by 3.8%, industry grew by 11.5%, and services by 5.8%. Preliminary estimates for the 6-month period from October 2003 to March 2004 indicate growth of 6.4%. Lao PDR is expected to achieve GDP growth of more than 6% in FY2004.

6. Inflation rose from 10.6% in 2002 to 15.5% in 2003. The main contributors were depreciation of the kip against the baht; increases in the price of basic necessities such as food, water, and electricity; and increases in petroleum prices. However, more recent monthly figures suggest that inflation has started to decline, in line with government efforts to reduce the budget deficit. Inflation dropped to 13.7% in November and fell further to around 11.5% for the first 3 months of 2004. Annual inflation is estimated to drop to 12% in 2004. The monetary authority also took steps to restrain credit, reducing by almost half the growth in broad money supply to about 20% in 2003. The kip depreciated by about 5% against the dollar over 2003.

7. In FY2003, the government had an overall budget deficit of 7.8% of GDP (5.7% including grants). This is an improvement on 8.3% of GDP recorded in FY2002—although a deterioration from 4.8% including grants—but it has again failed to meet the government's target. The overall budget deficit was mostly financed by grants and external concessional loans. Government revenue was 11% of GDP in FY2003, compared to 13.4% in FY2002. Government expenditure was lower in FY2003 at 18.8% of GDP, compared to 21.7% in 2002. In an attempt to address the budget deficit, the government introduced a package of revenue and expenditure measures in May 2003. Preliminary estimates for the first 6 months of FY2004 suggest that revenue collection came in at 42% of the annual target, higher than the 36% achieved for the same period in the previous year. Although this is an improvement, further reforms are needed to increase revenue collection (e.g. reducing tax exemptions) and to strengthen the capacity of the tax administration authorities.

8. Imports and exports recovered in 2003 after contracting in 2002. Exports rose by 23%, the main contributors being mining, hydropower, timber, and garments, which together account for about 80% of total exports. Imports grew by 7.2% in 2003. The trade deficit narrowed to an estimated \$135.6 million from \$170.1 million in 2002, continuing a narrowing trend that has lasted for several years. The current account deficit is about \$51 million, equivalent to 2.5% of GDP. Foreign exchange reserves increased to \$215.5 million, sufficient to cover more than 4 months of imports. Foreign direct investment (FDI) disbursement rose marginally to \$19.5 million in 2003. However, building on recent successes, interest in industry—particularly mining and hydropower—and services such as tourism significantly increased FDI approvals in 2003 over 2002.

9. Lao PDR's total external debt currently stands at around \$3 billion, slightly more than 170% of GDP. At face value, this appears a significant burden. However, more than half of Lao PDR's total debt is with Russia and is currently not being serviced. Lao PDR has long been negotiating on final disposition of this debt. In June 2003, the two governments agreed in principle (i) to write off 70% of the debt owed to the Russian Federation, and (ii) to service the remaining debt valued at \$380 million over a period of 33 years at a preferential interest rate. This is consistent with the terms of Russia's memorandum of understanding as a creditor in the Paris Club. A specific agreement relating to the interest rate, grace period, flow rescheduling, and payment modalities (cash, goods, and/or investment) is still pending. Nevertheless, this is an important policy development that has the potential to significantly improve Lao PDR's

overall debt position. Of the remaining debt in convertible currency, less than 5% is commercial and the rest is long-term concessionary debt to bilateral and multilateral donors. The debt service ratio remains low at approximately 8% of exports of goods and services.

C. Implications for the Country Strategy and Program

10. The current full country strategy and program (CSP) was prepared in September 2001. There have been no significant changes in the country's socioeconomic development since the last CSP update in August 2003, and the CSP's strategic thrust and priority areas remain valid. The importance of the private sector in such areas as hydropower, mining, forestry, agriculture, and tourism has increased. Border development and subregional integration have been increasingly emphasized in the country's development plans and processes. These positive developments support CSP implementation.

II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Progress in Poverty Reduction

11. The government has finalized the National Growth and Poverty Eradication Strategy (NGPES)—which also serves as the full poverty reduction strategy paper—following discussions at the Donor Roundtable Meeting in September 2003. The NGPES aims to reduce poverty through strong economic growth and an increased focus on the poorest districts. The government has selected 47 of the poorest districts for prioritized investment. The NGPES proposes agriculture, education, health, and transport as priority sectors for poverty reduction. The Asian Development Bank (ADB) has played an active role in the NGPES process through various initiatives, including the participatory poverty assessment, the poverty reduction partnership agreement, a joint public expenditure review, and its national and subregional programs. ADB assisted the government in formulating the northern region development strategy for the NGPES, with emphasis on economic integration of the poor northern region with neighboring dynamic economies, market-based development initiatives, human resource development, and sustainable social and environmental management.

12. The preliminary results from the Lao Expenditure and Consumption Survey III conducted in 2002–03 suggest that poverty incidence has fallen to about 32% from 38.6% in 1997–98 and 45% in 1992–93. The sharp reduction in poverty incidence in recent years is associated with consecutive years of strong economic growth, achievement of rice self-sufficiency, and increased cross-border trade. However, wide variations in poverty levels are likely to persist between urban and rural areas and between provinces. In order to achieve the poverty reduction target included in the NGPES, investment will have to be increased in priority areas. In particular, market accessibility should be enhanced, more employment opportunities created, and efficiency of investment in human resource development increased. ADB has supported the government's efforts to set up a poverty monitoring system, and to strengthen the institutional capacity of the National Statistics Center and local authorities. The quality of data collection has improved and a series of qualitative studies has provided greater social insight into poverty issues. The Poverty Reduction Fund was established with the support of the World Bank in 2003, and its subproject activities have commenced in 10 target districts. While sound progress is being made on poverty reduction, major challenges remain. These include: (i) incorporation of the NGPES into the national and provincial planning frameworks, (ii) raising sufficient financial resources to implement priority poverty reduction initiatives, and (iii) strengthening the government's institutional structure and capacity to effectively deliver public services.

B. Progress in the Country Strategy and Program Focus Areas

13. **Rural Development and Market Linkages.** Improved agricultural performance and marketing are critical to improving rural livelihoods and reducing the vulnerability of poor households. Achievements in recent years indicate that there is considerable development potential for commercial agriculture and forestry development. FDI in rubber, tea, and resin tree plantations are newly demonstrated possibilities for sustainable alternative agriculture. A multinational agribusiness company successfully pilot tested capacity strengthening of Lao farmers in maize production and post-harvest handling. Contract farming pilot tests continue to yield good results. While encouraging, improvements are still required in land tenure and allocation, basic technology and infrastructure, basic research and extension services, disease control, quality and productivity standards, rural finance, and effective mechanisms to link investors with farmers. The government should play the role that it would in a market-based economy. For instance, it should be less involved in deciding what to produce, where, and how, and more involved in creating a positive environment for commercial agriculture. The ongoing smallholder development project supports the government's efforts to enhance commercial agriculture. The small towns development sector project, approved in 2003, and roads for rural development project, approved in June 2004, will also contribute to enhancing urban-rural market linkages and connecting rural areas to subregional and international markets. The community-managed irrigation sector project will contribute to food self sufficiency in the poorer northern provinces through enhanced agricultural productivity.

14. **Human Resource Development.** More than 60% of the population is under age 25 and the government has put an increasing emphasis on human capital development to create a positive future for them. NGPES identifies education as a priority sector and the action plan for the Education for All initiative is under preparation. Steady progress has been made in primary education in recent years: net enrollment ratio increased from 59% in 1991 to over 80% in 2001. While higher numbers of children are enrolling, many have to repeat grades. Disparities in terms of access and quality of education—between girls and boys as well as between provinces—remain wide. Innovative and strategic interventions are required to significantly improve efficiency and quality of education service delivery. To achieve balanced education sector development, the government plans to introduce a sector-wide approach in close consultation with its development partners. The National Commission for the Advancement of Women, chaired by the Deputy Prime Minister and Minister of Foreign Affairs, was recently established to facilitate and monitor gender equality, and is currently preparing a gender mainstreaming strategy and action plan. The high fertility rate (about 5 births per woman of reproductive age) and rapid population growth (about 2.8% per year) are persistent contributing factors to poverty. Rural women have particularly high birth rates because they lack access to contraceptives: they have an average of 5.4 births during their reproductive years compared with 2.8 births for urban women. The government is currently implementing the national birth spacing policy and a national population and development policy. In 2004, the government plans to develop a comprehensive national reproductive health policy.

15. **Sustainable Environmental Management.** The government has taken initiative to improve environmental protection and social safeguards, including progress towards attaining the MDGs and the adoption of the Johannesburg Plan of Implementation at the World Summit on Sustainable Development in 2002. The government has been implementing a wide range of policy reforms under ADB's ongoing Environment and Social Program Loan. These include a prime minister's decree on implementing the Environmental Protection Law (EPL), as well as ministerial regulations of the Science, Technology, and Environment Agency (STEA); the Ministry of Communications, Transport, Posts and Construction (MCTPC); and the Ministry of Industry and Handicrafts (MIH). STEA has issued national public involvement guidelines and established a civil society consultation forum; a national environment committee has been

established by decree; agreement was reached on modalities for a third-party monitoring system for hydropower and transport projects; provincial science, technology, and environment offices are functioning and have prepared provincial environmental action plans; and the Ministry of Agriculture and Forestry (MAF) issued strategic vision concepts and guidelines for integrated watershed management. The government adopted the National Biodiversity Action Plan and Strategy in April 2004. Awareness of environmental and social safeguards and the role of STEA have been raised within many agencies. Despite these improvements, there is a need to further strengthen mechanisms to ensure compliance with the EPL. The major challenge is to improve local-level implementation by strengthening institutional, human, and financial resources. The government is giving serious attention to capacity enhancement within all relevant agencies to implement sound environmental management and social safeguards. Various donors, including the Swedish International Development Cooperation Agency (Sida), World Bank, ADB, and the United Nations Development Programme, are also involved in government capacity building relating to the environment. ADB and the World Bank are undertaking due diligence of the proposed Nam Theun 2 Hydropower Project, including a cumulative impact assessment.

16. Private Sector Development. The private sector is in the early stages of development but is playing an increasingly important role. The government has responded by establishing an enabling environment for private-sector investment. Prime minister's decrees on promoting and developing small- and medium-sized enterprises (SMEs) and decentralizing FDI management were issued in April 2004 to strengthen the institutional mechanisms for private sector development and to facilitate the participation of private business groups. The government has simplified business registration and trade procedures, as well as reduced quotas and tariffs on imports from its major trading partners. Lao National Chamber of Commerce and Industry has become more independent since July 2003. A sound, well-functioning financial sector is critically important to private sector development. ADB's banking sector reform program loan is helping the banking sector address challenges associated with a low capital base and a high burden of nonperforming loans. Two state-owned commercial banks (SOCBs) merged and a restructuring program is being implemented with the guidance of international banking advisors. Amendments to the Decree Law on Commercial Banks were prepared to allow foreign bank branches to operate nationwide. Anti-money laundering legislation has been drafted. The first phase of the restructuring plan of the Agriculture Promotion Bank (APB) is under implementation. Three pilot savings and credit unions were established in three locations with strong market linkages. The government has been developing a rural and microfinance development strategy, and the associated legal and regulatory framework. Efforts are being made to develop a policy framework to involve the private sector in developing large-scale plantations and to more efficiently manage livelihood plantation initiatives. Technical assistance projects on integrating the poor in regional development through standard-setting for private sector development have developed a framework for the development of a Standards Council, in accordance with internationally recognized benchmarks, thereby facilitating access of goods into regional and international markets.

17. Governance and Capacity Building. There has been progress in establishing a regulatory framework for governance. This includes (i) amendments to the constitution, strengthening the public administration mechanism and structure; (ii) adoption of the revised National Assembly Law, the Government Law, the Local Administration Law, and the Law on Enforcement of Court Sentences; and (iii) revisions to the Land Law, Civil and Criminal Law, the Law on the People's Court, and the Law on People's Judiciary Authority. The prime minister issued a new Civil Service Act in May 2003 to improve civil service management by introducing recruitment exams, job descriptions, assignment criteria, performance evaluations, and a reward system. Personnel management regulations for the management level are under preparation. The government plans to upgrade the Department of Public Administration and

Civil Services to the level of a subministry in order to accelerate public administration reform. The government is addressing weak capacity at the provincial and district levels through the decentralization process. The government is preparing a progress report on public administration reform—including people's participation, rule of law, and public financial management—that will be discussed at a governance roundtable meeting in September 2004.

18. **Geographical Focus.** To enhance the development impact of projects and to ensure proper monitoring and complementarity, ADB's interventions focus primarily on the poor northern provinces and the GMS East-West Economic Corridor (EWEC) in Savannakhet Province. ADB has also helped the government develop a northern region development strategy. This strategy emphasizes development opportunities from cross-border trade and movement, and the importance of the private sector along border areas and key economic corridors. The government's socioeconomic development plans and ADB activities will reflect these findings.

19. **Subregional Cooperation.** The government has made great efforts to transform the country from being "landlocked" to becoming "landlinked" through cooperation initiatives such as GMS, ACMECS, and ASEAN. There has been significant progress in opening and upgrading border crossings and improving infrastructure links with neighboring countries. The key transport components of the GMS EWEC are expected to be complete by 2007. Rehabilitation of the main road in Lao PDR will be completed in 2004 and its access roads are expected to be completed in 2005. The construction of the Second Mekong International Bridge, funded by the Japan Bank for International Cooperation (JBIC), will be completed in 2006. To transform the transport corridor into a full-fledged economic corridor, significant activities have been introduced: (i) a joint study on the shared use of Savannakhet Airport between Lao PDR and Thailand was agreed in March 2004; (ii) a joint study on the Savannakhet special economic zone between Lao PDR and Thailand was agreed; (iii) Thailand and Lao PDR have allowed each other's vehicles to enter since March 2004; (iv) no visas will be required for Vietnamese citizens from July 2004 and for other ASEAN countries in 2005; and (v) Thailand approved a zero import tariff for 9 agriculture crops from Lao PDR in March 2004. Work has also commenced on the Northern Economic Corridor (NEC), which will establish an important trade link between Thailand, Lao PDR, and PRC. Under the ACMECS, Thailand is helping improve physical infrastructure between Thailand and Lao PDR, including bridges, roads, and a railway link.

C. Highlights in Coordination of External Funding and Partnership Arrangements

20. ADB has been conducting strategic dialogue and operational coordination with development partners including the World Bank and the International Monetary Fund (IMF) through regular participation at the quarterly informal donor meetings, membership in the UN Country Team, and participation in 7 of the 8 recently formulated sector and thematic working groups. ADB is chair of the infrastructure working group and co-chair for the agriculture, environment, and natural resources working group. ADB is working closely with the World Bank and Sida on poverty and with the World Bank and IMF on banking sector reform. A joint due diligence process with the World Bank is under way for the Nam Theun 2 hydropower project. In 2003, the Nordic Development Fund (NDF) cofinanced the Northern Area Rural Power Distribution project, and a number of technical assistance and grant projects were financed by the Governance Cooperation Fund (GCF), the Japan Fund for Poverty Reduction (JFPR), and the Poverty Reduction Cooperation Fund (PRF) in private sector development, solid waste management, and gender. Possible loan cofinancing for 2004–2006 includes collaboration with Agence Française de Développement (AFD) and NDF in the northern and central region water supply and urban development project; NDF and the Organization of Petroleum Exporting Countries (OPEC) Fund for the roads for rural development and northern airport improvement

projects; and Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and Kreditanstalt für Wiederaufbau (KfW) for the rural finance sector development and small- and medium-sized enterprise development programs. A development coordination matrix is in Table A1.5.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance

21. Lao PDR is one of the region's best performers in terms of progress in portfolio management. As of 31 December 2003, 21 out of 23 ongoing projects, or 91.3% of the total, were classified satisfactory, compared to the ADB average of 85.7%. Contract awards reached \$34.9 million or 70% of projection in 2003. The disbursement ratio was 19.9%, higher than the ADB-wide average of 16.9% for the Asian Development Fund (ADF). Notwithstanding this sound performance, ADB continued to take measures to improve portfolio performance. The government has begun to address counterpart fund constraints by earmarking 160 billion kip of the budget for counterpart funds for the first time in FY2003–04. The ADB Lao Resident Mission (LRM), working closely with government counterparts, has developed and implemented a counterpart fund monitoring system. ADB's quarterly and annual portfolio review meetings with the government and joint review missions with cofinanciers continue to prove effective in addressing portfolio performance issues related to quality and submission timing for government's audited financial statements and compliance with loan covenants. Further planned delegation of project administration activities to LRM will enable more frequent and timely interactions with government counterparts, strengthening portfolio performance.

B. Performance Monitoring and Evaluation

22. Three projects closed during 2003, two of which have project completion reports available, both classified as successful. Of eight projects postevaluated between 1999 and 2003, two loans were classified as highly successful, two as successful, and four as partially successful. No project has been classified as unsuccessful over the past 5 years. The performance audit report on the Northern Provincial Towns Water Supply and Sanitation Project was completed in December 2003. The project was rated partly successful, bordering on successful. A special evaluation study on capacity building technical assistance in the Lao PDR has been completed. Its findings, as well as those of the postevaluated projects, will be appropriately reflected in future operations.

IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS

A. Lending Level Proposed

23. ADF fund allocation will depend upon the revised performance-based allocation (PBA) policy, which is expected to be finalized later in 2004. For planning purposes, the three-year annual allocation has been set at \$36.1 million for national projects—subject to adjustment under the revised PBA policy—and incremental funding has been assumed to become potentially available for subregional cooperation. One project (Nam Theun 2 hydropower development) has also been included for financing from ordinary capital resources and private sector operations in 2005. The proposed lending pipeline was developed to reflect the strategic thrust and geographical focus identified in the CSP, in consultation with the government and other development partners. Possibilities of the sector-wide approach will be explored in water supply, urban development, education, and health. Priority was given to implementation of the NGPES and the northern region development strategy. The proposed lending program is in Appendix 1, Table A1.10.

B. Nonlending Program

24. Indicative annual TA of about \$3.5 million focuses on quality project preparation in priority areas, governance and capacity building, and policy development support. The proposed nonlending program is in Appendix 1, Table A1.11.

C. Summary of Changes to Lending and Nonlending Programs

25. The lending program for 2004–2006 was adjusted to reflect the status of project preparation and ADF resource availability: (i) the forest plantation for livelihood improvement project (formerly tree plantation for livelihood improvement) slipped from 2004 to 2005; and (ii) a multiyear phased approach is adopted for the northern and central regions water supply and urban development project. Processing schedules of some project preparatory TAs were adjusted according to changes of loan processing timing and resource availability.

26. A Regional Cooperation Strategy and Program 2004–2008 (RCSP) for GMS was completed in early 2004. Limited funding for regional activities has required a review and adjustment of planned GMS operations: (i) the Nam Theun 2 hydropower project slipped from 2004 to 2005 to further consult with stakeholders and to carry out due diligence more carefully, (ii) the communicable disease control in border areas was advanced from 2006 standby to 2005 firm to more timely address recent communicable disease issues including SARS and avian flu, (iii) the information and communication technology project (formerly GMS: telecommunication backbone project phase I) was renamed to appropriately reflect the possible project scope, (iv) the new projects for pro-poor tourism development and the northern region economic bridge were introduced through the RCSP process for standby 2006, and (v) processing of the flood management project has been deferred for 2006 standby to better define project scope.

27. For reference, the 2004 assistance program for lending products and the 2004 assistance program for nonlending products and services are provided in Table A4.1 and A4.2, respectively.

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A1.1: Progress Toward the Millennium Development Goals and Targets

Goals and Targets	Country Status
Goal 1: Eradicate Extreme Poverty and Hunger	
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.	Proportion of people living below the national poverty line has decreased from 48% in 1990 to 32% in 2002. If this momentum continues, Lao People's Democratic Republic (Lao PDR) is expected to achieve the target by 2015.
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.	Proportion of population below the minimum level of dietary energy consumption declined only slightly from 31% in 1990 to 29% in 1998. Significant efforts are required to meet the target.
Goal 2: Achieve Universal Primary Education	
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.	The net primary school enrollment rate increased from 58% in 1991 to 80.3% in 2001, but the pace of improvement has slowed down since the late 1990s. Accelerated efforts need to be made.
Goal 3: Promote Gender Equality And Empower Women	
Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.	The ratio of girls to boys in primary and secondary education increased from 74.9% in 1990 to 83% in 2001. The ratio of literate females to males (15–24 years of age) increased from 76.2% in 1990 to 84.7% in 2002. Further efforts would be required to eliminate the gaps by 2015.
Goal 4: Reduce Child Mortality	
Target 5: Reduce by two-thirds, between 1990 and 2015, the under-5 mortality rate.	Under-5 mortality dropped from 170 per 1,000 births in 1990 to 106 in 1999. Infant mortality dropped from 134 per 1,000 births in 1990 to 82 in 1999. At the current pace, the child mortality target could be achieved by 2015.
Goal 5: Improve Maternal Health	
Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio (MMR).	Maternal mortality dropped remarkably from 750 per 100,000 births in 1990 to 530 in 2000, but significant improvements in health infrastructure and access to health services would be required to achieve the target of 185 by 2015.
Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases	
Target 7: Have halted by 2015, and begun to reverse, the spread of human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS).	HIV prevalence currently remains low at 0.06%. In 2001, HIV/AIDS prevalence among 15-24 year-old commercial service women was 0.4%.
Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.	The death rate associated with malaria decreased from 9 per 100,000 in 1990 to 3.5 in 2002. Lao PDR was declared polio free in 2000.
Goal 7: Ensure Environmental Sustainability	
Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.	The government has established 20 National Biodiversity Conservation Areas and two corridor areas, covering 14.3% of the country.
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.	In 2002, 58.1% of the population had access to clean water, compared to 28% in 1990.
Target 11: By 2010, to have achieved a significant improvement in the lives of slum dwellers.	The issue of slum dwellers has not emerged as a serious problem. The proportion of urban households with access to secure tenure accounted for 90.7% in 1995.

Reference: Government of Lao PDR and United Nations. 2004. *Millennium Development Goals Progress Report*. Vientiane.

Table A1.2: Country Economic Indicators

Item	Fiscal Year					
	1998	1999	2000	2001	2002	2003
A. Income and Growth						
1. GDP per Capita (\$, current)	262.5	284.9	335.1	333.3	325.5	350.5 ^a
2. GDP Growth (% in constant prices)	3.0	6.8	5.9	5.7	5.7	5.8
a. Agriculture	3.1	8.2	4.9	3.8	4.0	3.8
b. Industry	9.2	8.0	8.5	9.7	9.8	11.5
c. Services	1.8	4.9	5.3	6.0	5.8	5.8
B. Saving and Investment (current and market prices)						
	(% of GDP)					
1. Gross Domestic Investment	24.9	22.7	20.5	21.0	21.2	21.2 ^a
2. Gross National Saving	14.8	13.8	12.2	14.1	15.6	18.7 ^a
C. Money and Inflation						
	(annual % change)					
1. Consumer Price Index	87.4	134.0	27.1	7.8	10.6	15.5
2. Total Liquidity (M2) ^b	113.3	78.4	45.5	20.2	20.0	20.1 ^a
D. Government Finance ^c						
	(% of GDP)					
1. Revenue and Grants ^d	9.8	10.5	13.2	13.2	13.3	11.0 ^a
2. Expenditure and Onlending	22.7	19.5	21.5	20.7	21.6	18.8 ^a
3. Overall Fiscal Surplus (Deficit) ^d	(12.9)	(9.0)	(8.3)	(7.5)	(8.3)	(7.8) ^a
E. Balance of Payments						
1. Merchandise Trade Balance (% of GDP)	(16.8)	(14.6)	(12.5)	(12.3)	(11.3)	(6.7)
2. Current Account Balance (% of GDP) ^e	(10.1)	(8.9)	(8.3)	(6.9)	(5.6)	(2.5) ^a
3. Merchandise Export (\$) Growth (annual % change)	6.4	1.5	2.6	(0.3)	2.7	23.0
4. Merchandise Import (\$) Growth (annual % change)	(14.7)	0.3	2.7	(0.4)	(1.6)	7.2
F. External Payments Indicators						
1. Gross Official Reserves (including gold, \$ million)	112.0	106.2	126.5	133.5	190.9	215.5
(in weeks of current year's imports of goods)	10.5	10.0	12.3	13.2	17.8	20.6
2. External Debt Service (% of exports of goods and services)	9.6	14.2	15.4	15.6	16.6	8.0 ^a
3. Total External Debt (% of GDP)	210.7	195.5	157.5	156.0	172.6	68.9 ^{af}
G. Memorandum Items						
1. GDP (current prices, KN billion)	4,240.2	10,328.6	13,671.3	15,670.0	17,697.6	20,307.1
2. Exchange Rate (KN/\$, average)	3,296.2	7,108.2	7,845.8	8,871.0	10,069.3	10,533.7
3. Population (million)	4.9	5.1	5.2	5.3	5.4	5.5

GDP = gross domestic product; KN = kip.

^a Asian Development Bank estimates.

^b Includes foreign currency deposits.

^c Figures are on a fiscal year basis, where fiscal year ends 30 September.

^d Excluding grants.

^e Excluding official transfers.

^f Debt in convertible currency only.

Sources: National Statistical Center, Bank of the Lao People's Democratic Republic, Ministry of Finance, Committee for Planning and Cooperation, International Monetary Fund, and Asian Development Bank estimates.

Table A1.3: Country Poverty and Social Indicators

Item	Period			
	1985	1990	Latest Year	
A. Population Indicators				
1. Total Population (million)	3.62	4.14	5.50	(2003)
2. Annual Population Growth Rate (% change)	2.49	2.49	2.77	(2003)
B. Social Indicators				
1. Total Fertility Rate (births/woman)	6.7 (1980–1985)	6.0	4.8	(2002)
2. Maternal Mortality Rate (per 100,000 live Births)	750.0 (1988)	700.0	530.0	(2000)
3. Infant Mortality Rate (below 1 year/1,000 live births)	118.0	110.0	87	(2002)
4. Life Expectancy at Birth (years)	45.0	49.7	54.5	(2002)
a. Female	46.0	51.0	55.8	(2002)
b. Male	—	48.5	53.3	(2002)
5. Adult Literacy (%)	44.0	60.2 (1995)	74.0	(2002/03)
a. Female	—	47.9 (1995)	64.0	(2002/03)
b. Male	—	73.5 (1995)	85.0	(2002/03)
6. Primary School Gross Enrollment (%) ^a	104.8 (1985/86)	104.8 (1991)	72.0	(2002/03) ^a
7. Secondary School Gross Enrollment (%) ^a	27.3 (1985/86)	31.8 (1991)	76.0	(2002/03) ^a
8. Child Malnutrition (% below age 5)	35.0 (1984)	—	15.0	(2000)
9. Population Below Poverty Line (national, %)	—	45.0 (1992/93)	38.6	(1997/98)
10. Population with Access to Safe Water (%)	21.0 (1985–1988)	39.0	50.0	(2002/03)
11. Population with Access to Sanitation (%) ^b	10.0 (1985–1988)	24.0 (1988–1991)	51.0	(2002/03)
12. Public Education Expenditure (% of GDP)	1.3 (1987–1988)	1.9 (1991)	1.1	(2001/02)
13. Human Development Index	—	0.246	0.525	(2001)
Rank	—	141	135	(2001)
14. Gender-Related Development Index	—	—	0.518	(2001)
Rank	—	—	109	(2001)
C. Poverty Indicators				
1. Poverty Incidence	—	45.0 (1992/93)	32.0	(2002/03)
2. Percent of Poor to Total Population	—	—	—	—
a. Vientiane Municipality	—	24.4 (1992/93)	12.2	(1997/98)
b. North	—	58.4 (1992/93)	52.5	(1997/98)
c. Center	—	39.5 (1992/93)	34.9	(1997/98)
d. South	—	45.9 (1992/93)	38.4	(1997/98)
3. Poverty Gap	—	11.3 (1992/93)	10.3	(1997/98)
4. Poverty Severity Index	—	4.2 (1992/93)	4.0	(1997/98)
5. Inequality ^c	—	28.6 (1992/93)	35.7	(1997/98)
6. Human Poverty Index	—	—	40.5	(2000)
Rank	—	—	66	(2000)

— = not available; GDP = gross domestic product.

^a The gross enrollment ratio is defined as the number of students enrolled in a level of education, whether or not they belong to that age group for that level, expressed as the percentage of the population in the age group 6–10 years for primary school, 11–14 for lower secondary school, and 14–16 for upper secondary schools.

^b Percentage of population with reasonable access to sanitary means of excreta and waste disposal, including outdoor latrines and composting. Data for 2002–2003 refer to net enrollment rate.

^c Refers to Gini index. The Gini index refers to inequality of per-capita real consumption, which takes into account differences in the cost of living and changes in monthly consumer prices.

Sources: World Bank. Various Years. *World Development Reports*. Washington D.C.; World Bank. Various Years. *World Development Indicators*. Washington D.C.; United Nations Development Programme (UNDP). 2003. *Human Development Report*. New York; UNDP. 2002. *Lao National Human Development Report*. Vientiane; Asian Development Bank (ADB). 2003. *Key Indicators*. Manila; ADB. 2000. *Poverty in the Lao People's Democratic Republic*. Manila; Swedish International Development Cooperation Agency. 2003. *Draft Country Analysis — Lao PDR. Hearing from the Government of Lao PDR*. Vientiane.

Table A1.4: Country Environment Indicators

Indicator	1980	Latest Year	
A. Energy Efficiency of Emissions			
1. GDP/Unit of Energy Use (PPP \$/kgoe)	—	—	
2. Traditional Fuel Use (% of total energy use)	72.3	88.7	(1997)
3. Carbon Dioxide Emissions			
a. Tons	0.2	0.4	(1998)
b. Tons per capita	0.1	0.1	(1998)
B. Water Pollution: Water and Sanitation			
1. Urban Population with Access to Safe Water (%)	—	82.0	(2002/03)
2. Rural Population with Access to Safe Water (%)	—	47.0 ^a	(2002/03)
3. Urban Population with Access to Sanitation (%)	—	85.0	(2002/03)
C. Land Use and Deforestation			
1. Forest Area (million hectares)	—	126.0	(2000)
2. Average Annual Deforestation			
a. Square kilometers (km ²)	—	527.0	(1990–2000)
b. % change	—	0.4	(1990–2000)
3. Rural Population Density (people/km ² of arable land)	—	454.0	(1999)
4. Arable Land (% of total land)	—	3.7	(2000)
5. Permanent Cropland (% of total land)	0.1	0.3	(1999)
D. Biodiversity and Protected Areas			
1. Nationally Protected Area			
a. Million hectares	—	30.8	(1999)
b. % of total land	—	13.0	(1999)
2. Mammals (number of threatened species)	—	27.0	(2000)
3. Birds (number of threatened species)	—	19.0	(2000)
4. Higher Plants (number of threatened species)	—	2.0	(2000)
5. Reptiles (number of threatened species)	—	—	
6. Amphibians (number of threatened species)	—	—	
E. Urban Areas			
1. Urban Population (million)	0.4	1.2	(2000)
% of total population	13.0	24.0	(2000)
2. Per Capita Water Use (liters/day)	—	—	
3. Wastewater Treated (%)	—	—	
4. Solid Waste Generated Per Capita (kg/day)	—	—	

— = not available; kg = kilogram; kgoe = kilograms of oil equivalent; km² = square kilometer; PPP = purchasing power parity.

^a Data cover rural population with access to road having safe water in the village. Proportion of rural population without access to road but having safe water in the village was 24% in 2002/03.

Sources: World Bank. 2003. *World Development Report*. Washington D.C.; United Nations Development Programme. 2003. *Human Development Report*. New York; United Nations Environment Programme. 2001. *State of the Environment in Lao PDR*. National Statistical Centre, Committee for Planning and Cooperation. Vientiane.

Table A1.5: Development Coordination Matrix

Coordination Mechanism^a	<ul style="list-style-type: none"> Overall country operations: Roundtable meetings, monthly United Nations (UN) Country Team meetings, quarterly funding agency coordination meetings, country strategy and program mission consultations, and country portfolio review mission consultations Sector and thematic areas: Coordination through sector and crosscutting donor working groups, sector or subsector focus, and geographical focus (i.e. northern region) Project level coordination: Project processing and/or review mission consultations, cofinancing arrangement, and quarterly portfolio review meetings (QPRMs)
---	--

Sectors	Current ADB Strategy/Activities	Other Development Partners' Strategy and/or Main Activities ^b			
		Multilateral Institutions and the UN System		Bilateral	
Agriculture and Natural Resources	<ul style="list-style-type: none"> Irrigation, rural finance, commercial agriculture support, shifting cultivation stabilization Environment policy, river basin development, industrial tree plantation 	EU	Rural and livestock development	Australia	Rural infrastructure, land titling
		IRRI	Rice production	Denmark	Biodiversity
		UNDP	Rural development, UXO Clearance, ecotourism	France	Irrigation and rural development
		UNODC	Opium production control	Germany	Rural development, watershed management, ecotourism
		World Bank	Alternative development, land titling, lowland agriculture, community forestry management	Japan	Rural Infrastructure
				Lux Development Bank	Rural finance
Sweden	Forestry				
		United States	Rural development		
Education	<ul style="list-style-type: none"> Basic education, teacher training (focus on the northern area) 	European Union	Basic education	Australia	Basic education
				France	Basic Education
		UNICEF	Primary education, women in development	Germany	Vocational training
		World Bank	Primary education, curriculum development	Japan	Primary education, national university
				Sweden	Primary education

ADB = Asian Development Bank; CPM = country programming mission; CPRM = country portfolio review mission; EU = European Union; IRRI = International Rice Research Institute; Lao PDR = Lao People's Democratic Republic; UN = United Nations; UNDP = United Nations Development Programme; UNICEF = United Nations Children's Fund; UNODC = United Nations Office of Drugs and Crime; UXO = unexploded ordnance.

^a Monthly UN Country Team meetings refer to organized regular consultations between funding agencies operating in the Lao PDR on sector/thematic focus areas of involvement. QPRMs are conducted by the Asian Development Bank's Lao Resident Mission on a quarterly basis to review progress of current operations and discuss portfolio implementation issues with the Government and funding agencies. As a practice, most ADB missions including CPMs and CPRMs consult with the resident funding agencies in the Lao PDR.

^b Areas of intervention where substantial investment or grant packages are implemented, programmed, or considered.

Continued on next page.

Table A1.5 —Continued.

Sectors	Current ADB Strategy/Activities	Other Development Partners' Strategy and/or Main Activities ^c			
		Multilateral Institutions and the UN System		Bilateral	
Health, Nutrition, and Social Protection	<ul style="list-style-type: none"> Primary health care (focus on the northern area) 	European Union	Disease Prevention	Australia	Rural health
		ILO	Social security	Belgium	Social security
		UNICEF	Malaria prevention, primary health	Germany	Family health
		World Bank	Early childhood nutrition, maternal health and childhood development	Japan	Malaria control, hospital
Energy / Transport and Communications / Water Supply, Sanitation, and Waste Management	<ul style="list-style-type: none"> Urban development, water supply, GMS tourism infrastructure development (ADB is a lead agency in the urban sector) GMS power transmission, northern area rural electrification Rural access roads, GMS roads, northern airport improvement 	UNICEF	Water supply	Australia	Microhydro
				France	Urban development, water supply, hydropower
		UNODC	Feeder roads	Germany	Rural water supply
		World Bank	Rural electrification, hydropower, national roads, road maintenance fund	Japan	Roads, bridges, and GMS roads rural water supply
				Sweden	Rural water supply, rural roads
				Thailand	Roads, railway, and airports
Industry and Trade / Finance	<ul style="list-style-type: none"> SOCB reform, rural and microfinance, SME development 	IMF	Bank supervision	Australia	Commercial bank audits
		European Union	HRD for banking	France	Mining
		World Bank	SOE reform	Germany	SME development
Law and Public Sector Management	<ul style="list-style-type: none"> Public administration reform, public investment management, public accounting and audit, urban governance, capacity building (particularly related with decentralization) 	IMF	Macroeconomic management	Australia	Capacity building
		UNDP	Public administration reform	Germany	Capacity building
		UNODC	Law enforcement	Japan	Macroeconomic policy support
		UNICEF	Gender and development	Sweden	Capacity building
		World Bank	Capacity building for financial management, procurement		

GMS = Greater Mekong Subregion; HRD = human resources development; IMF = International Monetary Fund; SME = small- and medium-sized enterprise; SOCB = state-owned commercial bank; SOE = state-owned enterprise.

^c Areas of intervention where substantial investment or grant packages are implemented, programmed, or considered.

Sources: Various development agencies' reports and programs.

Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 31 December 2003)

Sector	Net Loan Amount		Rating ^a															
			Total		Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem ^b		At Risk ^c			
	\$ million	%	No	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No	(%)
Agriculture and Natural Resources	77.9	15.7	6	26.1	1	16.7	4	66.7	0	0	1	16.7	0	0	1	16.7		
Energy	61.0	12.3	2	8.7	0	0	2	100.0	0	0	0	0	0	0	0	0	0	0
Industry and Trade / Finance	20.9	4.2	2	8.7	1	50.0	1	50.0	0	0	0	0	0	0	0	0	0	0
Education / Health, Nutrition, and Social Protection / Water Supply, Sanitation and Waste Management	161.7	32.6	7	30.4	0	0	7	100.0	0	0	0	0	0	0	0	0	0	0
Transport and Communications	140.1	28.2	4	17.4	0	0	3	75.0	0	0	1	25.0	0	0	1	25.0		
Multisector	34.5	7.0	2	8.6	0	0	2	100.0	0	0	0	0	0	0	0	0	0	0
Total^d	496.2	100.0	23	100.0	2	8.7	19	82.6	0	0.00	2	8.7	0	0.00	2^e	8.7		

— = not available; No. = number.

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^c A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

^d Exclude Loan LAO-1234(SF): Sixth Road Improvement Project, Loan LAO-1456(SF): Nam Leuk Hydropower, and Loan LAO-1374(SF): Postsecondary Education.

^e Loan LAO-1933(SF): Nam Ngum River Basin Development Sector and Loan LAO-1989(SF): Northern Economic Corridor Project.

Source: Asian Development Bank estimates.

Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources
(public sector loans, as of 31 December 2003)

Disbursements and Transfers	OCR	ADF	Total
Disbursements^a			
Total Funds Available for Withdrawal (\$ million)	0.00	496.2	496.2
Disbursed Amount (\$ million, cumulative)	0.00	170.2	170.2
Percentage Disbursed (disbursed amount/total available)	0.00	34.3	34.3
Disbursements (\$ million, latest year)	0.00	54.7	54.7
Disbursement Ratio (%) ^b	0.00	19.9	19.9
Net Transfer of Resources (\$ million)^c			
1999	0.00	38.5	38.5
2000	0.00	41.7	41.7
2001	0.00	34.6	34.6
2002	0.00	37.7	37.7
2003	0.00	40.5	40.5

ADF = Asian Development Fund; OCR = ordinary capital resources.

^a Includes all loans with disbursements during 2003.

^b Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^c Includes private-sector projects.

Source: Asian Development Bank estimates.

Table A1.8: Portfolio Indicators—Evaluation Rating by Sector
(1999–2003)

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	1	100.0
Energy	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	2	100.0
Industry and Trade / Finance	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	1	100.0
Education / Health, Nutrition, and Social Protection / Water Supply, Sanitation, and Waste Management	0	0.0	0	0.0	2	100.0	0	0.0	0	0.0	2	100.0
Transport and Communications	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	2	100.0
Multisector	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	25.0	2	25.0	4	50.0	0	0.0	0	0.0	8	100.0

Source: Asian Development Bank project (program) audit reports.

Table A1.9: Portfolio Implementation Status
(public sector loans, as of 31 December 2003)

Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date (dd/mm/yy)	Effective Date (dd/mm/yy)	Closing Date		Progress (% complete)
				OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
AG	1295		Industrial Tree Plantation Project	0.00	10.78	22 Dec 93	23 Aug 94	30 Sep 01	30 Sep 03	99.0
AG	1488		Community Managed Irrigation Sector Project	0.00	13.65	21 Nov 96	29 Oct 97	30 Jun 04		99.0
AG	1688		Shifting Cultivation Stabilization Pilot Project	0.00	5.67	11 May 99	11 Nov 99	31 Dec 05		80.0
AG	1788		Decentralized Irrigation Development and Mgt Sector	0.00	17.42	28 Nov 00	7 May 01	30 Jun 07		12.0
AG	1933		Nam Ngum River Basin Development Sector Project	0.00	16.85	11 Nov 02	11 Feb 04	31 Mar 09		5.0
AG	1949		Small Holder Development	0.00	13.50	28 Nov 02	18 Jun 03	31 Oct 09		—
EN	1558		Power Transmission and Distribution Project	0.00	29.10	30 Sep 97	27 Mar 98	30 Jun 02	31 Dec 03	99.0
EN	2005		Northern Area Rural Power Distribution Project	0.00	31.94	18 Sep 03	8 Mar 04	30 Sep 08		0.0
FI	1931	2	TA Loan: Banking Sector Reform Project	0.00	4.48	14 Nov 02	4 Mar 03	30 Jun 06		7.0
FI	1946	1	Banking Sector Reform Program	0.00	16.41	28 Nov 02	7 Mar 03	31 Dec 06		32.0
MS	1867		Environment and Social Program	0.00	22.30	6 Dec 01	19 Feb 02	30 Jun 05		22.0
MS	1970		GMS-Mekong Tourism Development Project-LAO	0.00	12.25	12 Dec 02	6 Aug 03	30 Jun 08		8.0
ED	1525		Secondary Towns Urban Development Project	0.00	26.32	26 Jun 97	29 Apr 98	30 Jun 03	31 Dec 03	97.0
Total				0.00	220.67					0.00

— = not available; ADF = Asian Development Fund; AG = agriculture and natural resources; ED = education; EN = energy; FI = finance; GMS = Greater Mekong Subregion; LAO = Lao People's Democratic Republic; mgt = management; MS = multisector; no. = number; OCR = ordinary capital resources; seg = segment (pertaining to loans with more than one withdrawal authority); TA = technical assistance.

Continued on next page

Table A1.9—Continued

Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
						IP	DO		
AG	1295		Industrial Tree Plantation Project	9.50	10.10	S	S	No	No
AG	1488		Community Managed Irrigation Sector Project	12.80	12.50	HS	S	No	No
AG	1688		Shifting Cultivation Stabilization Pilot Project	4.50	4.42	S	S	No	No
AG	1788		Decentralized Irrigation Development and Mgt Sector	7.60	4.70	S	S	No	No
AG	1933		Nam Ngum River Basin Development Sector Project	0.00	0.00	U	S	No	Yes
AG	1949		Small Holder Development	0.00	0.20	S	S	No	No
EN	1558		Power Transmission and Distribution Project	27.40	27.30	S	S	No	No
EN	2005		Northern Area Rural Power Distribution Project	0.00	0.00	S	S	No	No
FI	1931	2	TA Loan: Banking Sector Reform Project	0.60	0.30	HS	S	No	No
FI	1946	1	Banking Sector Reform Program	5.20	5.20	S	S	No	No
MS	1867		Environment and Social Program	5.00	4.90	S	S	No	No
MS	1970		GMS-Mekong Tourism Development Project-LAO	0.30	0.30	S	S	No	No
WS	1525		Secondary Towns Urban Development Project	25.30	23.50	S	S	No	No
Total				98.20	93.42				

DO = development objectives; HS = highly satisfactory; IP = implementation progress; no. = number; S = satisfactory; U = unsatisfactory; WS = water supply, sanitation, and waste management.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

Continued on next page.

Table A1.9—Continued

Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date (dd/mm/yy)	Effective Date (dd/mm/yy)	Closing Date		Progress (% complete)
				OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
ED	1621		Basic Education (Girls) Project	0.00	21.50	25 Jun 98	31 May 99	31 Jul 05		60.0
WS	1710		Water Supply and Sanitation Sector Project	0.00	21.21	16 Nov 99	10 Jul 00	30 Jun 06		55.0
HL	1749		Primary Health Care Expansion Project	0.00	21.83	24 Aug 00	10 Jan 01	30 Jun 07		46.0
WS	1834		Vientiane Urban Infrastructure and Services Project	0.00	29.50	23 Aug 01	18 Jan 02	28 Feb 07		33.0
ED	1844		Second Education Quality Improvement Project	0.00	23.37	28 Sep 01	5 Mar 02	30 Jun 08		17.0
WS	1994		Small Towns Development Project	0.00	18.01	28 Jan 03	6 Oct 03	31 Jul 09		2.0
TC	1533		Xieng Khouang Road Improvement Project	0.00	45.59	9 Sep 97	17 Feb 98	30 Jun 02	31 Dec 05	93.0
TC	1727		GMS: East West Corridor Project	0.00	32.80	20 Dec 99	21 Sep 00	31 Dec 04		72.0
TC	1795		Rural Access Roads Project	0.00	27.93	7 Dec 00	16 May 01	30 Apr 05		19.0
TC	1989		GMS: Northern Economic Corridor Project	0.00	33.78	20 Dec 02	9 Feb 04	30 Jun 07		—
Total				0.00	275.52					0.00

— = not available; ADF = Asian Development Fund; HL = health, nutrition, and social protection; OCR = ordinary capital resources; TC = transport and communications.

Continued on next page.

Table A1.9—Continued

Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
						IP	DO		
ED	1621		Basic Education (Girls) Project	8.90	6.30	S	S	No	No
WS	1710		Water Supply and Sanitation Sector Project	7.80	4.80	S	HS	No	No
HL	1749		Primary Health Care Expansion Project	6.10	4.50	S	S	No	No
WS	1834		Vientiane Urban Infrastructure and Services Project	4.20	2.10	S	S	No	No
ED	1844		Second Education Quality Improvement Project	3.70	0.60	S	S	No	No
WS	1994		Small Towns Development Project	2.90	0.30	S	S	No	No
TC	1533		Xieng Khouang Road Improvement Project	42.00	39.10	S	S	No	No
TC	1727		GMS: East West Corridor Project	16.60	13.10	S	S	No	No
TC	1795		Rural Access Roads Project	20.90	7.40	S	S	No	No
TC	1989		GMS: Northern Economic Corridor Project	0.00	0.00	U	S	No	No
Total				113.10	78.20				

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

Source: Asian Development Bank.

Table A1.10: Assistance Pipeline for Lending Products, 2005–2006

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
						ADB		Gov't	Cofinancing	Total
						OCR	ADF			
2005 Firm Loans										
Agriculture and Natural Resources										
1. Forest Plantation for Livelihood Improvement	PI	ECO/ENV	MKAE	2001	13.0	0.0	10.0	10.0	3.0	TBD
Subtotal					13.0	0.0	10.0	10.0	3.0	0.0
Transportation and Communication										
2. Northern Airports Improvement	Other	ECO	MKID	2002	25.0	0.0	10.0	10.0	3.0	12.0
Subtotal					25.0	0.0	10.0	10.0	3.0	12.0
Water Supply, Sanitation and Waste Management										
3. Northern and Central Regions Water Supply and Urban Development (Phase I)	PI	ISD/ECO	MKSS	2002/2004	25.0	0.0	10.0	10.0	3.0	12.0
Subtotal					25.0	0.0	10.0	10.0	3.0	12.0
Total (A)					63.0	0.0	30.0	30.0	9.0	24.0
Regional Energy										
1. GMS: Nam Theun 2 Hydropower Development Project	Other	ECO	MKID	2003/2004	20.0	20.0 ^a	0.0	20.0	TBD	TBD
Subtotal					20.0	20.0	0.0	20.0	TBD	TBD
Health, Nutrition and Social Protection										
2. GMS: Communicable Disease Control in Border Areas	CPI	ISD/RC	MKSS	2004	7.5	0.0	6.0	6.0	1.5	TBD
Subtotal					7.5	0.0	6.0	6.0	1.5	0.0
Total (B)					27.5	20.0	6.0	26.0	1.5	0.0
Total (A)+(B)					90.5	20.0	36.0	56.0	10.5	24.0
2005 Standby Loans										
Regional Transportation and Communication										
1. GMS: Information and Communication Technology Project	Other	ECO	MKID	2004	25.0	0.0	20.0	20.0	5.0	TBD
Subtotal					25.0	0.0	20.0	20.0	5.0	TBD
Total					25.0	0.0	20.0	20.0	5.0	0.0

^a Excluding a \$50 million direct loan to the project developer through private sector operations and a \$50 million political risk guarantee for the commercial lenders. ADB = Asian Development Bank; ADF = Asian Development Fund; CPI = core poverty intervention; ECO = sustainable economic growth; ENV = environment sustainability; GMS = Greater Mekong Subregion; Gov't = Government; ISD = inclusive social development; MKAE = Mekong Department Agriculture, Environment and Natural Resources Division; MKID = Mekong Department Infrastructure Division; MKSS = Mekong Department Social Sector Division; OCR = ordinary capital resources; PI=poverty intervention; RC = regional cooperation; TBD = to be determined.

Continued on next page

Table A1.10—Continued

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
						ADB			Gov't	Cofinancing
						OCR	ADF	Total		
2006 Firm Loans										
Agriculture and Natural Resources										
1. Participatory Livestock Development	CPI	ECO	MKAE	2003	15.0	0.0	10.0	10.0	5.0	TBD
Subtotal					15.0	0.0	10.0	10.0	5.0	0.0
Education										
2. Basic Education Development	PI	ISD/PSD	MKSS	2004	20.0	0.0	15.0	15.0	5.0	TBD
Subtotal					20.0	0.0	15.0	15.0	5.0	0.0
Industry and Trade										
3. SME Development	PI	PSD	MKGF	2004	15.0	0.0	10.0	10.0	5.0	TBD
Subtotal					15.0	0.0	10.0	10.0	5.0	0.0
Total					50.0	0.0	35.0	35.0	15.0	0.0
2006 Standby Loans										
Agriculture and Natural Resources										
1. Nam Ou River Basin Development	CPI	ECO	MKAE	2005	15.0	0.0	10.0	10.0	5.0	TBD
Subtotal					15.0	0.0	10.0	10.0	5.0	0.0
Health, Nutrition and Social Protection										
2. Health Sector Development	PI	PSD/ISD	MKSS	2005	20.0	0.0	15.0	15.0	5.0	TBD
Subtotal					20.0	0.0	15.0	15.0	5.0	TBD
Water Supply, Sanitation and Waste Management										
3. Northern and Central Regions Water Supply and Urban Development (Phase II)	PI	ISD/ECO	MKSS	2006	30.0	0.0	15.0	15.0	5.0	10.0
Subtotal					30.0	0.0	15.0	15.0	5.0	10.0
Law and Public Sector Management										
4. Public Administration Reform Program	Other	GOV	MKGF	2006	10.0	0.0	10.0	10.0	TBD	TBD
Subtotal					10.0	0.0	10.0	10.0	0.0	0.0
Total (A)					75.0	0.0	50.0	50.0	15.0	10.0
Regional (by priority order)										
Multisector										
1. GMS: Pro-poor Tourism Development	PI	RC	MKSS	2005	12.5	0.0	10.0	10.0	2.5	TBD
Subtotal					12.5	0.0	10.0	10.0	2.5	0.0
Energy										
2. GMS: Power Interconnection (Phase II)	Other	ECO/RC/ PSD	MKID	2003	60.0	0.0	15.0	15.0	4.0	41.0
Subtotal					60.0	0.0	15.0	15.0	4.0	41.0

GOV = governance; MKGF = Mekong department Governance, Finance and Trade Division; PSD=private sector development.

Continued on next page

Table A1.10—Continued

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
						ADB		Gov't	Cofinancing	Total
						OCR	ADF			
Agriculture and Natural Resources										
3. GMS: Flood Management	PI	RC/ECO	MKAE	2005	25.0	0.0	20.0	20.0	5.0	TBD
Subtotal					25.0	0.0	20.0	20.0	5.0	0.0
Transport and Communication										
4. GMS: Northern Economic Corridor Bridge	Other	ECO/RC	MKID	2004	30.0	0.0	TBD	TBD	TBD	30.0
Subtotal					30.0	0.0	0.0	0.0	0.0	30.0
Total (B)					127.5	0.0	45.0	45.0	11.5	71.0
Total (A)+(B)					202.5	0.0	95.0	95.0	26.5	81.0

Source: Asian Development Bank.

Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2005–2006*

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2005							
Agriculture and Natural Resources							
1. Nam Ou River Basin Development	MKAE	PPTA	TBD	700.00		0.00	700.00
2. Impact Assessment of Agriculture and Natural Resource Management	MKAE	ADTA	TASF	200.00		0.00	200.00
Subtotal				900.00		0.00	900.00
Health, Nutrition and Social Protection							
3. Health Sector Development	MKSS	PPTA	TBD	700.00		0.00	700.00
Subtotal				700.00		0.00	700.00
Transportation and Communication							
4. Transport Logistics System Improvement	MKID	ADTA	TBD	700.00		0.00	700.00
Subtotal				700.00		0.00	700.00
Finance							
5. Promoting Lao Women's Union's Capacity to Organize Poor Rural Women for Viable Microfinance Services for the Poor	MKAE	ADTA		0.00	PRF	300.00	300.00
Subtotal				0.00		300.00	300.00
Law and Public Sector Management							
6. Public Services Delivery Efficiency	MKGF	ADTA	TASF	500.00		0.00	500.00
7. Economic Integration and Market-Based Development	LRM	ADTA	TASF	600.00		0.00	600.00
8. Capacity Building for Gender Mainstreaming	MKOC	ADTA	TASF	400.00		0.00	400.00
9. Development Impact Assessment of ADB Operation	MKOC	ETSW	SC/IAE				
Subtotal				1,500.00		0.00	1,500.00
Total				3,800.00		300.00	4,100.00

* Multicountry nonlending products and services are covered in the GMS: Regional Cooperation Strategy and Program 2004–2008. ADB=Asian Development Bank; ADTA=advisory technical assistance; ETSW = economic, thematic and sector work; GMS = Greater Mekong Subregion; IAE = internal administrative expense; LRM = Lao Resident Mission; MKAE=Mekong Department Agriculture, Environment and Natural Resources Division; MKID=Mekong Department Infrastructure Division; MKGF=Mekong Department Governance, Finance and Trade Division; MKOC=Mekong Department Operations Coordination Division; MKSS = Mekong Department Social Sector Division; PPTA=project preparatory technical assistance; PRF = Poverty Reduction Cooperation Fund; SC = staff consultant; TASF=Technical Assistance Special Fund; TBD = to be determined.

Continued on next page.

Table A1.11—Continued *

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
Stand-by							
Law and Public Sector Management							
12. Capacity Building for Decentralized Project Financial Management	COPP	ADTA	TASF	500.00		0.00	500.00
Subtotal				500.00		0.00	500.00
Total				500.00		0.00	500.00
2006							
Agriculture and Natural Resources							
1. Shifting Cultivation Stabilization II	MKAE	PPTA	TBD	700.00		0.00	700.00
Subtotal				700.00		0.00	700.00
Water Supply, Sanitation and Water Management							
2. Northern Water Supply and Urban Sector Development (Phase II)	MKSS	PPTA	TBD	300.00		0.00	300.00
3. Capacity Building for Decentralized Local Governance	MKSS	ADTA	TASF	700.00		0.00	700.00
Subtotal				1,000.00		0.00	1,000.00
Education							
4. Provincial Institutional Strengthening in Education Management	MKSS	ADTA	TASF	500.00		0.00	500.00
Subtotal				500.00		0.00	500.00
Law and Public Sector Management							
5. Public Administration Reform Program	MKGF	PPTA	TBD	700.00		0.00	700.00
6. Capacity Building for Decentralized Project Financial Management	COPP	ADTA	TASF	500.00		0.00	500.00
Subtotal				1,200.00		0.00	1,200.00
Total				3,400.00		0.00	3,400.00

* Multicountry nonlending products and services are covered in the GMS: Regional Cooperation Strategy and Program 2004–2008.
COPP = Project Coordination and Procurement Division.

CONCEPT PAPERS FOR LENDING PRODUCTS, 2005

This appendix contains the concept papers for the following lending products.

(i)	Table A2.1: Forest Plantation for Livelihood Improvement Project	28
(ii)	Table A2.2: Northern Airports Improvement Project	30
(iii)	Table A2.3: GMS: Nam Theun 2 Hydropower Development Project	32
(iv)	Table A2.4: Northern and Central Regions Water Supply and Urban Development Project (Phase I)	34
(v)	Table A2.5: GMS: Communicable Disease Control in Border Areas Project	36
(vi)	Table A2.6: GMS: Information and Communication Technology Project	38

CONCEPT PAPERS FOR LENDING PRODUCTS, 2005

Table A2.1: Forest Plantation for Livelihood Improvement Project

Concept Paper

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector: Forest</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> Sustainable economic growth</td> <td style="width: 50%;"><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subthemes: Promoting economic efficiency; natural resources conservation</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Agriculture, Environment & Natural Resources Division, Mekong Department</p>								
<p>5. Responsible ADB officer: A. Siddiq, senior project economist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Forest cover in the Lao People's Democratic Republic (Lao PDR) has been reduced from 70% in the 1940s to 47% or less in the 1990s. The government recognizes the problems and attempts to address them by (i) improving logging regulations, (ii) containing shifting cultivation, (iii) developing partnerships with village communities, and (iv) encouraging private individuals and companies to establish plantations. In 1997, the Department of Forestry developed Vision 2020 to translate policy into strategies. Vision 2020 encourages increased plantation forestry—focusing on degraded forestland—and strong private sector involvement.</p> <p>b. Goal and purpose: The project's long-term goal is to tap the significant potential of the plantations subsector and turn it into a driver of economic growth. A more immediate purpose is to (i) provide income-generating opportunities to poor rural communities, (ii) increase private-sector participation in commercial plantations,</p>								

(iii) rehabilitate degraded forestland by developing plantations, and (iv) strengthen capacity of government institutions to support commercially viable forest plantations.

c. Components and outputs: Components will include (i) training for planters and private entrepreneurs, (ii) credit lines for planters and private companies, (iii) improvement of plantation access roads, (iv) market development, and (vi) establishment of requisite government institutions and capacity-building of the executing and implementing agencies.

d. Expected results and deliverables: The project will support plantation on about 10,000 hectares. Markets for wood products will be strengthened through training, research, and data collection and dissemination systems. On average, the project will increase wood raw material by 125,000 cubic meters per annum and earn an additional \$2 million per annum in foreign exchange.

e. Social or environmental issues or concerns: The project will rehabilitate and increase productivity on environmentally degraded lands, as well as create jobs for poor rural households, including women and ethnic minorities.

f. Plans for disseminating results/deliverables: Project results will be shared with other line agencies, private-sector organizations, planters, and funding agencies through seminars, workshops, and trade fairs. Appropriate attention will be paid to maximizing project benefits to ethnic minorities.

7. Proposed executing/implementing agency or agencies: Ministry of Agriculture and Forestry and provincial/district agricultural and forestry service offices.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: This will be a follow-on project to the one completed in 2003. The government and beneficiaries fully support plantation development and would like to expand it in other areas.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2001

b. Expected date of submission for approval
Lending: 2005
Nonlending (project preparatory):
Nonlending (other than project preparatory):

c. Period and duration of assistance
Lending: 2005–2010
Nonlending:

10. Financing Plan

a. For lending
 Ordinary capital resources:
 Asian Development Fund: \$ 10 million
 Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.
If known, provide cost estimates and financing arrangements.

Source	Amount (\$ million)
ADB Financing	10.0
Government Financing	3.0
Other Financing	TBD
Total Cost	13.0

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TBD = to be decided.

Table A2.2: Northern Airports Improvement Project

Concept Paper

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Telecommunication Subsector: Aviation</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> Sustainable economic growth</td> <td style="width: 50%;"><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme: Fostering (physical) infrastructure</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Infrastructure Division, Mekong Department</p>								
<p>5. Responsible ADB officer: J. Kim, project engineer</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Asian Development Bank's (ADB) intervention in minor airport improvement will enhance the safety and operational efficiency of small airports, which have a strategic importance for passenger traffic in the Lao People's Democratic Republic (Lao PDR).</p> <p>b. Goal and purpose: The main objective will be to undertake improvement of five small airports in the northern region of the Lao PDR.</p> <p>c. Components and outputs: Project scope will include provision of (i) civil works aerodromes, operational buildings, and airport terminals; and (ii) equipment for air traffic services, aeronautical communications, navigational aids, and aeronautical meteorology for minor airports. Consulting services to help in preconstruction activities, project management, and construction supervision will be included.</p>								

<p>d. Expected results and deliverables: Enhancement of the safety and operational efficiency of small airports.</p> <p>e. Social or environmental issues or concerns: Potentially less significant environmental impacts are expected.</p> <p>f. Plans for disseminating results/deliverables: Through workshops and consultations.</p>										
<p>7. Proposed executing/implementing agency or agencies: Department of Civil Aviation</p>										
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: ADB is a lead funding agency in the Lao PDR's civil aviation sector. The exact requirements have been identified during loan processing.</p>										
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance Lending: 2005-2008 Nonlending:</p>										
<p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$10.0 million</p> <p><input checked="" type="checkbox"/> Other: \$12.0 million</p> <p>If cofinancing is required, indicate amount and sources sought: \$12.0 million, from TBD. If known, provide cost estimates and financing arrangements.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Amount (\$ million)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td>10.0</td> </tr> <tr> <td>Government Financing</td> <td>3.0</td> </tr> <tr> <td>Other Financing</td> <td>12.0</td> </tr> <tr> <td>Total Cost</td> <td>25.0</td> </tr> </tbody> </table> <p>Source: ADB estimates.</p>	Source	Amount (\$ million)	ADB Financing	10.0	Government Financing	3.0	Other Financing	12.0	Total Cost	25.0
Source	Amount (\$ million)									
ADB Financing	10.0									
Government Financing	3.0									
Other Financing	12.0									
Total Cost	25.0									

CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TBD = to be decided.

**Table A2.3: GMS: Nam Theun 2 Hydropower Development Project
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Hydropower generation</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme: Fostering (physical) infrastructure</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Infrastructure Division, Mekong Department</p>								
<p>5. Responsible ADB officer: W. Um, principal operations specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Asian Development Bank's (ADB) country strategy and program for the Lao People's Democratic Republic (Lao PDR) addresses poverty reduction through sustainable economic growth, social development, good governance, environmental management, and private sector development. Hydropower development by the private sector for export will play a vital role in achieving ADB's goals to generate employment and support income growth, human resource development, capacity building, and sustainable management of natural resources.</p> <p>The Lao government aims to transform and diversify the predominantly subsistence agriculture economy by developing its substantial hydropower resources. Hydropower generation and its export to Thailand are expected to provide the government with a major increase in the fiscal revenue needed to fund service delivery and basic infrastructure in health, education, and elsewhere in the social sector. One of the major regional trade agreements is between the Lao PDR and Thailand on the export of about 3,100 megawatts (MW) of power in two stages: 1,600 MW by December 2006 and an additional 1,700 MW by March 2008.</p> <p>An energy development study for the Greater Mekong Subregion (GMS) recommended implementation of priority subregional hydropower projects to facilitate the expansion of cross-border power trade. International private developers are completing studies on Nam Theun 2 Hydropower Development Project to generate about 1,070 MW of electricity. About 95% of the electricity generated will be exported to Thailand and the remaining 5% will be used domestically. The project will generate about \$2.0 billion in revenues for the government over the concession period of 25 years. The government is developing a comprehensive policy framework to ensure</p>								

that the project's revenue benefits are properly channeled to priority areas of the economy that have strong links to its poverty reduction strategy.

The government's challenge is to ensure that social and environmental impacts of the Nam Theun 2 project are fully addressed through a detailed program of mitigation, compensation, and offset measures. The government needs assistance to ensure that these are carried out in line with the current international best practices. In response to the government's request, ADB has been conducting due diligence of the project related documents and activities on a noncommittal basis with close coordination with the World Bank.

b. Goal and purpose: The project will support the government in harnessing the export potential of hydropower resources in Lao PDR in an environmentally and socially acceptable way. It will also promote economic development for poverty reduction.

c. Components and outputs: The project will (i) build physical infrastructure for power generation and transmission to the end users in Thailand and Lao PDR; (ii) implement environmental and social mitigation measures; (iii) protect the national biodiversity conservation areas; (iv) facilitate framework for undertaking the power sector reforms in Lao PDR; and (v) undertake institutional strengthening initiatives of the government agencies involved in hydropower development projects.

d. Expected results and deliverables: The project will (i) facilitate generation of 1070 MW of electricity; (ii) ensure that social and environmental impacts have been properly identified and impacts mitigated in line with good practice and ADB safeguard policies; (iii) support sufficient allocation and proper channeling of project revenues to poverty reduction initiatives; (iv) improve quality of life; and (v) promote capacity building for implementation of hydropower projects.

e. Social or environmental issues or concerns: Hydropower projects intervene in the natural flow of rivers leading to impact on the environment and human beings—particularly ethnic minorities—who live in the area of influence. While it generally brings economic benefits, the challenge is to ensure that adequate mitigation and compensation measures are incorporated in the project design. Protection of the watershed is a vital component for the project's long-term sustainability. It is also important for contributing to regional conservation efforts.

f. Plans for disseminating results/deliverables: Considerable discussions to be held with the different stakeholders, especially the affected people in the project area as well as in the downstream river basin.

7. Proposed executing/implementing agency or agencies: Ministry of Industry and Handicraft

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The government has been actively involved in the development of the project

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2003

b. Expected date of submission for approval
 Lending: 2005
 Nonlending (project preparatory):
 Nonlending (other than project preparatory):

c. Period and duration of assistance
 Lending: 2005–2009
 Nonlending:

10. Financing Plan

a. For lending

Ordinary capital resources: \$20 million public sector loan; \$50 million direct loan to the project developer; and \$50 million political risk guarantee to the commercial lenders.

Asian Development Fund:

Other:

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	20 million public sector loan, 50 million private sector loan, and \$50 million political risk guarantee
Government Financing	TBD
Other Financing	TBD
Total Cost	TBD

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TBD = to be decided.

**Table A2.4: Northern and Central Regions Water Supply and Urban Development Project
(Phase I)
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input checked="" type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Water supply, sanitation and waste management Subsector: Water supply and sanitation</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subthemes: Human development; fostering (physical) infrastructure</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Social Sectors Division, Mekong Department</p>								
<p>5. Responsible ADB officer: Yong Ye, project economist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Lao government decentralized water supply and sanitation development and management in the late 1990s, when the local water supply organizations were relatively weak and did not fully understand the extent of their new responsibilities. In 1999, the Asian Development Bank (ADB) approved a loan for the Water Supply and Sanitation Sector Project, which aimed to (i) provide a framework for the planning, development, and management of water supply systems; (ii) establish a regulatory authority; and (iii) strengthen local water supply and sanitation organizations. Coverage of water supply systems, however, remains low in the Lao PDR, and inadequate tariff levels constrain the expansion of water supply systems. The project will support the country's core strategies of sustainable economic growth, social development, and good governance. Tariff-pricing policies and strategies will be strengthened to ensure equitable access, as well as improvements of regulatory and operational frameworks. The resulting sustainable water supply and sanitation operations will form part of the provincial infrastructure foundation necessary to support economic growth.</p> <p>b. Goal and purpose: The project will help develop the basic urban services—including water supply and</p>								

sanitation—through policy reforms, capacity building, construction of water supply and sanitation systems, and other urban facilities such as solid waste management, drainage, and markets, etc., as demanded in the country's northern and central regions. Access to water supply and sanitation, as well as to improved urban services, is essential to developing provincial and rural economies, and improving the health profiles and quality of life of people in small towns.

c. Components and outputs: The project will have five components: (i) policy and institutional reforms to enhance the regulatory framework of the sector and enable a greater degree of autonomy for local water supply organizations and private-sector participation; (ii) capacity building for the regulatory authority and local water supply organizations, project implementation assistance, and training; (iii) community health awareness and sanitation improvement; (iv) water supply improvements; and (v) urban development.

d. Expected results and deliverables: (i) A properly functioning regulatory framework for the water supply sector; (ii) financially viable and efficient local water supply organizations; (iii) clean water in adequate quantities; and (iv) improved sanitation and other urban facilities, delivered to all social groups in a manner responsive to the communities' demands.

e. Social or environmental issues or concerns: Ethnic minority groups may be present in the target communities. No adverse environmental impact is foreseen.

f. Plans for disseminating results/deliverables: Through workshops and seminars.

7. Proposed executing/implementing agency or agencies: Ministry of Communications, Transport, Posts and Construction.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A wide range of stakeholders and beneficiaries has been consulted during the project preparation, including concerned government agencies, international and bilateral agencies, nongovernment organizations, mass movement organizations, provincial and district authorities, and communities.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2002

b. Expected date of submission for approval
Lending: 2005
Nonlending (project preparatory):
Nonlending (other than project preparatory):

c. Period and duration of assistance
Lending: 2005–2010
Nonlending:

10. Financing Plan

a. For lending

Ordinary capital resources:

Asian Development Fund: \$10 million

Other: \$12.0 million

If cofinancing is required, indicate amount and sources sought: TBD.
If known, provide cost estimates and financing arrangements.

Source	Amount (\$ million)
ADB Financing	10.0
Government Financing	3.0
Other Financing	12.0
Total Cost	25.0

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TBD = to be decided.

**Table A2.5: GMS: Communicable Disease Control in Border Areas Project
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Health, nutrition and social protection Subsector: Health systems</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subthemes: Human development; regional cooperation</p>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Social Sectors Division, Mekong Department</p>								
<p>5. Responsible ADB officers: I. Bhushan, principal project economist; V. de Wit, senior health specialist; E. Bloom, social protection specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The preventive health structures in the Greater Mekong Subregion (GMS) require urgent repair and upgrade, especially in poor and border areas. The recent outbreaks of severe acute respiratory syndrome (SARS) and avian flu have emphasized the need for strengthening the preventive health system. Human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) is spreading among migrant workers and people living near new roads and markets. Strengthening the capacity of the GMS governments for preventing these communicable diseases and for sharing information about outbreaks in a timely fashion will directly help the countries concerned. The project is in line with the priorities identified by the GMS Working Group on Human Resources Development and the RCSP, as well as commitments by the GMS governments to achieve the Millennium Development Goals (MDGs) by 2015.</p> <p>b. Goal and purpose: The project will address the MDG 6 (on combating HIV/AIDS, malaria and other diseases) through strengthening policies, institutional capacity, and programs for preventing and controlling communicable diseases in Lao PDR, with special attention to the border areas with Cambodia and Viet Nam. The project objectives are to (i) ensure timely and appropriate control of epidemics likely to have major impact on the</p>								

subregion's public health and economy, (ii) contain the spread of HIV/AIDS among populations at risk and improve blood safety; (iii) reduce the burden of endemic infectious diseases among the poor living in isolated communities; (iv) harmonize standards for health staff and services of the Lao PDR with those of neighboring countries, and (v) improve the quality and use of medicines; and (vi) strengthen the design of the national health system.

c. Components and outputs: The project is likely to have the following components: (i) strengthening of surveillance and response systems, preparedness for epidemics, and implementation of the international health regulations, (ii) education on HIV/AIDS and other sexually transmitted diseases among youth, migrant workers, and people living near new roads and markets; (iii) extension of services and programs to reach isolated poor communities with a basic package of health services; (iv) support for improving standards and quality control of staff, services, and medicines; and (v) collaboration with other GMS countries for health systems analysis, comparison, and policy development.

d. Expected results and deliverables: Early containment of epidemics, strengthened communicable disease control programs, reduced prevalence of common communicable diseases, reduced child mortality among the poor in the remote areas, and improved health status nationwide.

e. Social or environmental issues or concerns: Only positive social impacts are expected.

f. Plans for disseminating results/deliverables: Through GMS and other forms of international frameworks, as appropriate.

7. Proposed executing/implementing agency or agencies: Ministry of Health

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A wide range of stakeholders will be consulted during the project preparation, including concerned government agencies, nongovernment organizations, international agencies, mass movement organizations, provincial authorities, and beneficiaries.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004

b. Expected date of submission for approval
Lending: 2005
Nonlending (project preparatory):
Nonlending (other than project preparatory):

c. Period and duration of assistance
Lending: 2005–2010
Nonlending:

10. Financing Plan

a. For lending
 Ordinary capital resources:
 Asian Development Fund: \$6.0 million
 Other:

If cofinancing is required, indicate amount and sources sought: (TBD).
If known, provide cost estimates and financing arrangements.

Source	Amount (\$ million)
ADB Financing	6.0
Government Financing	1.5
Other Financing	TBD
Total Cost	7.5

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TBD = to be decided.

**Table A2.6: GMS: Information and Communication Technology Project
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Telecommunication Subsector: Telecommunication</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p> <input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme: Fostering physical infrastructure</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Infrastructure Division, Mekong Department</p>								
<p>5. Responsible ADB officer: W. Um, principal operations specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Telecommunications investment significantly contributes to economic growth, especially in countries with low teledensity. Telecommunications are not only traded services themselves; they facilitate trade in other service sectors. Connectivity in the Greater Mekong Subregion (GMS) will enhance economic cooperation and accelerate economic growth in each country. Over the past decade, installation of optical fiber cables envisaged under the earlier proposed Telecommunications Fiber Optic Backbone (Phase I) Project has largely been completed. While the Asian Development Bank (ADB) concentrated in assisting the governments in undertaking the sector policy study, the governments were able to secure bilateral financing for high-priority optical fiber cable routes. Although there are a few remaining routes under Phase I, the governments confirmed that these routes are relatively low priority due to low demand at present. The GMS countries expressed the need to increase access to information and communications technology (ICT) services in provincial, rural, and remote locations as part of the e-government initiative. The main challenge for governments now is to deliver basic social services in remote villages using ICT. ICT is becoming increasingly affordable, and can be an effective way of collecting, storing, retrieving, and</p>								

disseminating important information.

The project will help the GMS countries launch the e-government initiative by providing them with increased access to ICT services in provincial, rural, and remote locations. The project will provide the related physical infrastructure as well as the software to facilitate the rural ICT connectivity.

b. Goal and purpose: The project objectives are to (i) enhance the access to ICT services in the GMS' remote and rural locations, (ii) reduce the incidence of the "digital divide" in the GMS, (iii) improve the ICT infrastructure in order to attract private investment in national ICT networks, and (iv) allow ICT connectivity among the four GMS countries. The project will also help create and foster an environment conducive to private sector ICT investment in the GMS countries.

c. Components and outputs: The project will provide ICT infrastructure and related software to rural and remote areas.

d. Expected results and deliverables: Physical infrastructure and the related software for ICT connectivity in the rural and remote areas.

e. Social or environmental issues or concerns: Potentially less significant environmental impacts are expected.

f. Plans for disseminating results/deliverables: To be discussed and confirmed though project preparation.

7. Proposed executing/implementing agency or agencies: Ministry of Communications, Transport, Posts, and Construction

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The government has been fully involved through various consultative frameworks under the GMS program.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005

b. Expected date of submission for approval
 Lending: 2005 (standby)
 Nonlending (project preparatory):
 Nonlending (other than project preparatory):

c. Period and duration of assistance
 Lending: 2005–2009
 Nonlending:

10. Financing Plan

a. For lending
 Ordinary capital resources:
 Asian Development Fund: \$20.0 million
 Other:

If cofinancing is required, indicate amount and sources sought: (TBD).
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$ million)
ADB Financing	20.0
Government Financing	5.0
Other Financing	TBD
Total Cost	25.0

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TBD = to be decided.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES, 2005

This appendix contains the concept papers for programmed nonlending products and services.

(i)	Table A3.1: Nam Ou River Basin Development	41
(ii)	Table A3.2: Impact Assessment of Agriculture and Natural Resource Management	43
(iii)	Table A3.3: Health Sector Development	45
(iv)	Table A3.4: Transport Logistics System Improvement	47
(v)	Table A3.5: Public Services Delivery Efficiency	49
(vi)	Table A3.6: Promoting Lao Women Union's Capacity to Organize Poor Rural Women for Viable Microfinance Services for the Poor	51
(vii)	Table A3.7: Economic Integration and Market-Based Development	53
(viii)	Table A3.8: Capacity Building for Gender Mainstreaming	55
(ix)	Table A3.9: Development Impact Assessment of Asian Development Bank Operations	57
(x)	Table A3.10: Capacity Building for Decentralized Financial Management	59

CONCEPT PAPERS FOR NONLENDING PRODUCTS, 2005

**Table A3.1: Nam Ou River Basin Development Project
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and natural resources Subsector: Water resource management</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other</p> <p>c. Key thematic area Theme:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> Sustainable economic growth</td> <td style="width: 50%;"><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Agriculture, Environment and Natural Resources Division, Mekong Department</p>								
<p>5. Responsible ADB officer: A. Siddiq, project economist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Nam Ou river basin is in the Lao People's Democratic Republic's (Lao PDR) less-developed north. The government emphasizes developing the northern region and is preparing a development plan to this end. The Asian Development Bank (ADB) had earlier provided TA 2734-LAO: Nam Ngum Watershed Management to help the government prepare an integrated watershed development plan. Since it has adopted a holistic river basin development approach (TA 3544-LAO: Nam Ngum River Basin Development Project), the government has proposed replicating it in Nam Ou.</p> <p>b. Goal and purpose: The Nam Ou river basin's natural resources will be optimized by adopting an integrated water resources management approach, with an investment loan project to be prepared with the technical assistance (TA).</p> <p>c. Components and outputs: The TA will address (i) watershed management, (ii) biodiversity conservation, (iii) crop and livestock management, (iv) farmer-managed irrigation, (v) farmer training, and (vi) project implementation and supervision.</p>								

d. Expected results and deliverables: The TA will furnish a feasibility study for the ensuing investment loan, with which (i) poverty will be reduced, (ii) poor rural household incomes will increase by 30-40%, and (iii) provision of better farm technology and farmer training will increase farm productivity.

e. Social or environmental issues or concerns: Biodiversity conservation and environmental protection will improve with the ensuing loan. Specific and targeted activities will improve the wellbeing of poor women and ethnic minorities.

f. Plans for disseminating results/deliverables: Workshops and consultations.

7. Proposed executing/implementing agency or agencies: Ministry of Agriculture and Forestry, and provincial/district agricultural and forestry service offices

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Results of participatory rural assessments for the other ongoing TA operations and participatory poverty assessments for the Lao PDR have repeatedly shown that rural poor prefer help for income-generating farm activities and infrastructure. The government's sector development plans prioritize the same.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004

b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory):

c. Period and duration of assistance
 Lending:
 Nonlending: 2005–2006

10. Financing Plan

a. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds: \$700,000
- Other:

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	700,000
Government Financing	123,600
Other Financing	
Total Cost	823,600

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program.

Table A3.2: Impact Assessment of Agriculture and Natural Resource Management Concept Paper

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and natural resources Subsector: Agriculture sector development</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Theme:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> Sustainable economic growth</td> <td style="width: 50%;"><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Agriculture, Environment and Natural Resources Division, Mekong Department</p>								
<p>5. Responsible ADB officer: A. Siddiq, project economist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Asian Development Bank (ADB) has been a lead funding agency of the agricultural and natural resource sectors in the Lao People's Democratic Republic (Lao PDR). Now that the country has achieved self-sufficiency in rice production, the government intends to reset its priorities to diversify and commercialize agriculture and to keep pursuing the overall goal of poverty reduction. The government's Master Plan Study on Integrated Agricultural Development sets out such goals in detail.</p> <p>b. Goal and purpose: The goal of this technical assistance (TA) will be to review and assess in detail the impact of past projects in the agriculture and natural resource sectors and to set new priorities for their future development:</p> <p>c. Components and outputs: (i) Impact assessment of past projects, (ii) outline of lessons learned, (ii) a new roadmap to further develop the agriculture and natural resource sectors, and (iii) updated criteria to select projects in these sectors.</p>								

d. **Expected results and deliverables:** Same as outputs above.

e. **Social or environmental issues or concerns:** Environment and social issues (including women and ethnic minority concerns) vis-à-vis projects in the agricultural and natural resource sectors will be studied in detail to incorporate lessons learned in the design of new projects.

f. **Plans for disseminating results/deliverables:** Reports will be presented in seminars and workshops held in the Lao PDR and ADB.

7. Proposed executing/implementing agency or agencies: Ministry of Agriculture and Forestry

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A wide range of consultation will be conducted with government agencies, private sector development partners, and stakeholders.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005

b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): 2005

c. Period and duration of assistance
 Lending:
 Nonlending: 2005–2006

10. Financing Plan

a. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget:
 Grant TA funds: \$200,000
 Other:

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	200,000
Government Financing	35,300
Other Financing	
Total Cost	235,300

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program.

**Table A3.3: Health Sector Development Project
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Health, nutrition, and social protection Subsector: Health systems</p> <p>b. For project preparatory and lending, classification</p> <p> <input checked="" type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Social Sectors Division, Mekong Department</p>								
<p>5. Responsible ADB officer: V. de Wit, senior health specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Lao People's Democratic Republic's (Lao PDR) key health indicators such as maternal and infant mortality rates are among the worst in Asia. To achieve the goal of health for all, the government has adopted the Millennium Development Goals (MDGs) and a primary health care (PHC) strategy, in particular targeting the rural poor, ethnic minorities, women, and children. With its ongoing project, ADB's Loan 1749 supports expansion of PHC in 8 northern provinces and strengthening institutional capacity for PHC management nationwide. A network of health facilities is being put in place to improve access. Managers, paramedics and villagers are being trained, many of them from ethnic minorities. This expanded PHC system provides the basis for improving sector impact. However, the health system faces challenges to reform such as chronic underfunding, fragmentation of management and funding over many vertical programs, management capacity constraints, lack of qualified staff for rural locations, and lack of public education. A two-pronged assistance strategy is proposed. ADB will first assist operationalizing the PHC system that has been put in place, including addressing underlying problems of PHC systems. ADB will then continue to assist with macro-level health sector reforms, with a new advisory technical assistance (TA) proposed for 2007.</p> <p>b. Goal and purpose: The goal is to support the government's efforts to achieve the MDGs by preparing a feasibility study for the prospective loan. The purpose of the ensuing loan is (i) to improve performance of PHC system in the 8 northern provinces in terms of utilization, quality, equity, affordability, and patient satisfaction;</p>								

and (ii) to upgrade quality and efficiency of PHC support systems.

c. Components and outputs: The TA will address the following three components to be covered in the ensuing lending operation:

- (i) Investment that focuses on improving PHC management and supervision, staff resources, supplies, health education, monitoring, evaluation, and the quality of service delivery for the poor, minorities, women and children, and on strengthening the referral system in selected provinces.
- (ii) Policy reform agenda in support of improving PHC delivery established between the central and provincial governments, health sector financing, provincial sector governance, integration of vertical programs at provincial level and below, supply systems, health education, and human resource development.
- (iii) Capacity building at various levels in support of the policy agenda to provide higher-quality PHC to rural areas.

d. Expected results and deliverables: A feasibility study will be completed with the TA. The ensuing lending operation will help achieve provincial health sector targets, including reduction of infant and maternal mortality and fertility and demonstrate the impact of PHC on improving the overall health status in Lao PDR, help integrate vertical programs at provincial level and below, and identify and initiate work on macro reforms in the health sector.

e. Social or environmental issues or concerns: Women and minority groups will be consulted. No adverse social or environmental impact is foreseen.

f. Plans for disseminating results/deliverables: Briefings, conferences, workshops, website, and publications.

7. Proposed executing/implementing agency or agencies: Ministry of Health

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A wide range of stakeholders and beneficiaries will be consulted during the TA fact finding and implementation, including concerned government agencies, international and bilateral agencies, nongovernment organizations, health workers from provincial and district health departments, community representatives, and potential beneficiaries.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory): 2005
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending:
 - Nonlending: 2005

10. Financing Plan

- a. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$700,000
 - Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	700,000
Government Financing	123,600
Other Financing	
Total Cost	823,600

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program.

**Table A3.4: Transport Logistics System Improvement
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and communications Subsector: Roads and highways</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p> <input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Infrastructure Division, Mekong Department</p>								
<p>5. Responsible ADB officer: P. Broch, transport project economist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Since 1986, when the Lao People's Democratic Republic (Lao PDR) adopted the New Economic Mechanism, the country has followed a path of gradual economic liberalization combined with modernization of institutions, rehabilitation and upgrading of infrastructure, and ever-tighter integration into the subregional economy. Lao PDR is a signatory to the Greater Mekong Subregion (GMS) cross-border agreement from 1999, and is a member of the Association of Southeast Asian Nations (ASEAN) and the ASEAN Free Trade Area (AFTA) with its Common Effective Preferential Tariff (CEPT) scheme which will reduce tariffs on most dutiable goods to less than 5% by 2005 and on the remainder by 2010. With the growing openness and integration of Lao PDR's economy, and the prospective wider liberalization of international trade within the World Trade Organization (WTO) framework, the country's freight transport and logistics sector is exposed to increasing competitive pressure to reduce export, import, and domestic transport costs. The government has also adopted a policy of transforming Lao PDR from "landlocked" to "landlinked". The government's aims to exploit the country's geographical position—on the east-west crossroads between Thailand and Viet Nam, and the People's Republic of China and Cambodia in the north-south direction—by becoming a central hub for GMS trade and transport.</p> <p>b. Goal and purpose: The project objective is to enhance economic growth in Lao PDR and further its integration</p>								

into the subregional economy by identifying ways of making freight transport and logistics services more efficient. The purposes are (i) to advise on reform of the structure, regulation, and operation of transport and logistics services to improve efficiency; (ii) to determine the scope and preconditions for achieving the government's vision of the Lao PDR as "landlinked" and advise on the reforms and investments required to achieve that vision; and (iii) recommend on a strategy and plan for reform and development of the transport sector until 2015.

c. Components and outputs: (i) A diagnostic analysis of the strengths and weaknesses of current domestic and transit transport operations, of existing logistics systems, and of the organizational, regulatory, and legal framework under which they operate; (ii) preparation of a transport sector strategy to achieve the development purpose within the next 10 years; (iii) preparation of a list of actions to be undertaken by the government, transport sector operators, and transport users; and (iv) preparation of a program of supportive investments and interventions that can be undertaken and funded by international donors and the private sector. The individual proposals will be described in sufficient detail (minimal prefeasibility level) to enable prospective investors to decide to proceed with investigations.

d. Expected results and deliverables: Expected TA outcomes are (i) four stakeholder workshops, (ii) a report presenting analysis and diagnostics of the sector and a medium term strategy and plan for improving the efficiency of transport and logistics to develop the Lao PDR's stake in subregional trade and transport, and (iii) a well documented catalogue of interventions for financing by international and domestic investors from the public and private sectors.

e. Social or environmental issues or concerns: To be confirmed.

f. Plans for disseminating results/deliverables: The recommended strategy and plan and the catalogue of interventions and investment projects for external financing will be made available to the wider public by through a web page, CD-ROM and papers to support the active involvement of stakeholders and the attraction of development funds.

7. Proposed executing/implementing agencies: Ministry of Public Works, Transport, and Communication.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The proposal for execution of the study was presented to ADB during the country programming mission to Lao PDR in May 2004.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004

b. Expected date of submission for approval

Lending:
Nonlending (project preparatory):
Nonlending (other than project preparatory): 2005

c. Period and duration of assistance

Lending:
Nonlending: 2005

10. Financing Plan

a. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds: \$700,000

Other:

If cofinancing is required, indicate amount and sources sought:
If known, provide cost estimates and financing arrangements:

Source	Amount (\$)
ADB Financing	700,000
Government Financing	123,600
Other Financing	
Total Cost	823,600
Source: ADB estimates.	

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program.

**Table A3.5: Public Services Delivery Efficiency
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law and public sector management Subsector: National government administration</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Theme:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Governance, Finance, and Trade Division, Mekong Department</p>								
<p>5. Responsible ADB officer: S. Nicoll, governance specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The 2005-2007 CSP update reaffirms the priority given to strengthening governance through policy and institutional development for poverty reduction in the Lao People's Democratic Republic (Lao PDR). Although the government has promulgated a number of new laws (on Government, National Assembly, Local Administration, Land, Enforcement of Court Sentence, and People's Court and People's Judiciary Authority), weak governance and capacity continue to be serious constraints to development and poverty reduction efforts.</p> <p>A comprehensive Governance and Public Administration Reform (GPAR) program was launched in September 1997, on the eve of the Asian financial crisis. Several of the priority reforms under GPAR, such as review of civil service salary and compensation system, were compromised because of the crisis' ill effects on the state budget. Policies to provide civil servants with merit-based incentives and wages more closely matched to the private sector were undermined by the budget deficit that resulted from the crisis. The government continues to be challenged with expenditure control and revenue shortfalls. Increasing operating deficits and accumulating debt is jeopardizing delivery of basic services.</p> <p>Most governance reforms over the past few years have focused on policy intent and direction, concept development and refinement, and the drafting of legislation and regulations. Future efforts need to focus more on operationalizing reforms and moving from concept to implementation. This will require putting in place appropriate structures, management frameworks, and administrative frameworks; developing human resources; and instituting decision support mechanisms, accountability structures, and supporting managing systems. An important development has taken place with the approval of the revised Civil Service Statute (PM/82; 19 May 2003). This provides a more comprehensive and logical framework that includes new provisions on performance appraisal, training, and development.</p>								

Improving public service delivery in Lao PDR will require a range of management, financial, and administrative reforms across central and line ministries and at provincial, district, and village levels. To complement the Asian Development Bank's (ADB) ongoing support for improved service delivery through strengthened public expenditure management, the proposed technical assistance (TA) will focus on strengthening human resource management in the civil service. Effective civil service management is constrained by the lack of appropriate structures, inadequate staff, low salaries, lack of job descriptions and classifications systems, weak establishment control and manpower planning systems, inadequate personnel management information systems and overall civil service costs. These weaknesses affect the government's capacity to effectively deliver public services.

b. Goal and purpose: The goal is to support Lao PDR's GPAR program. The purpose is to assist with strengthening human resource management in the civil service in Lao PDR.

c. Components and outputs: The TA is expected to help provide (i) functioning job classification systems; (ii) operationalized establishment control and manpower planning systems; (iii) improved performance appraisal systems; and (iv) improved human resource development programs.

d. Expected results and deliverables: The expected TA result is significant progress on implementing Civil Service Statute reforms and GPAR civil service reforms within central and key line government ministries, departments, and agencies. The results of the TA are expected to provide the foundation for broader-based support from the ADB to the government's public administration reform efforts. Anticipated program loan support is planned for standby in 2006.

e. Social or environmental issues or concerns: None noted.

f. Plans for disseminating results/deliverables: TA results will be disseminated throughout the government's civil service administration systems. Close collaboration with development partners active in the governance-related areas (e.g. the United Nations Development Programme) will ensure that lessons learned are to be reflected in future development programming of ADB and development partners.

7. Proposed executing/implementing agency or agencies: The Department of Public Administration and Civil Service (DPACS) would be the appropriate executing agency. Implementing agencies would include selected key central and line ministries, to be agreed with the government and possibly the Central Committee for Organization and Personnel (CCOP), which is responsible for personnel management of senior government officials at the director general level and above.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Detailed discussions were held with the DPACS, CCOP, and UNDP during the 2004 country programming mission.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2003 (included as Public Services Delivery Efficiency)
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): 2005
- c. Period and duration of assistance
 - Lending:
 - Nonlending: 2005-2007

10. Financing Plan

- a. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$500,000
 - Other:

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	500,000
Government Financing	88,300
Other Financing	
Total Cost	588,300

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program.

**Table A3.6: Promoting Lao Women Union's Capacity to Organize Poor Rural Women for Viable Microfinance Services for the Poor
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance Subsector: Microfinance</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division; and Governance, Finance, and Trade Division, Mekong Department</p>								
<p>5. Responsible ADB officers: M. Mitra, senior social development specialist; B. Coleman, microfinance specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The finance sector is identified in the country strategy and program (CSP) for the Lao People's Democratic Republic (Lao PDR) as a priority for the development of market-oriented production in rural areas. This is closely linked with the government's poverty reduction strategy, in which diversification and commercialization of rural production are seen as key to improving incomes and reducing poverty.</p> <p>b. Goal and purpose: The goal is the development of a viable rural financial system in Lao PDR that can serve the financial needs of the poor. The purpose of the technical assistance (TA) is to build the capacity of provincial units of the Lao Women's Union (LWU) to set up and manage viable microfinance services for poor women in rural areas.</p> <p>c. Components and outputs: (i) training for LWU in selected provinces on principles of viable microfinance services for low-income communities, (ii) development of simple tools for training of village communities in the establishment and operation of viable savings and credit groups, (iii) study tours to successful rural microfinance institutions. Expected outputs include (i) provincial LWU units fully trained in the principles of microfinance, and able to train and build up rural women's savings and credit groups affiliated to a viable microfinance institutions; (ii) capacity built at all levels to set up, manage, and run a viable microfinance institution that primarily serves women in Lao PDR; and (iii) transformation of selected LWU village revolving funds into viable microfinance institutions.</p> <p>d. Expected results and deliverables: The expected result will be the setting up of a viable system for providing</p>								

lending and deposit services to poor women in the provinces of Xieng Khouang, Houa Panh, and Saysamboun. Results will include trained and well-informed decision makers in LWU who will be instrumental in bringing the principles of viability, increased outreach, and minimization of transaction costs and risk into the existing system of village-based funds.

e. Social or environmental issues or concerns: The project will facilitate the full participation by ethnic minority women in training and access to financial services with a view to diversifying their activities and improving incomes.

f. Plans for disseminating results/deliverables: TA outputs will be translated into Lao and disseminated widely at different levels. LWU channels will be used to disseminate the outputs to local units and remote village communities. TA outputs will be disseminated through the Asian Development Bank's (ADB) web site.

7. Proposed executing/implementing agencies: The Bank of Lao PDR will be the executing agency. LWU will be the implementation agency in three selected provinces.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: LWU is the only body with the outreach into remote rural areas for (i) organizing women for training and (ii) for provision of financial services. However, LWU lacks the understanding and capacity to inject principles of sustainability, accountability, and transparency into its microfinance activities. As a result, most of its interventions take the form of village revolving funds, which have limited outreach and often prove to be unsustainable. It is interested to develop its capacity to set up a viable system of rural finance that can serve the needs of low-income communities in remote areas. The government has been eager to pursue capacity building and has expressed interests in TA to pioneer the training and setting up of savings and credit groups in rural areas that may coalesce into a viable system of financial services to the poor.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): 2005
- c. Period and duration of assistance
 - Lending:
 - Nonlending: 2005

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds
 - Other: PRF \$300,000

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	TBD
Other Financing	300,000
Total Cost	300,000
Source: ADB estimates.	

CSP = country strategy and program, PRF = Poverty Reduction Cooperation Fund, RCSP = regional cooperation strategy and program, TBD = to be determined.

**Table A3.7: Economic Integration and Market-Based Development
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law and public sector management Subsector: Economic management</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Lao Resident Mission, Mekong Department</p>								
<p>5. Responsible ADB officer: K. Takamiya, programs economist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Lao People's Democratic Republic (PDR) has been pursuing regional integration through participation in the Association of Southeast Asian Nations (ASEAN) and the Greater Mekong Subregion (GMS) program, commitment to the ASEAN Free Trade Area (AFTA), and application to join the World Trade Organization (WTO). The country's challenge is to identify and realize its development potential and maximize national gains from regional integration. The Asian Development Bank (ADB) and the government are currently finalizing the Northern Region Development Strategy to address constraints on economic integration and market-based development. Once its action plan is completed, the next step will be to help the government implement the plan through transforming it into specific actions in key sectors and strengthening the institutional and policy framework. This is consistent with ADB's strategic direction, aiming to poverty reduction through broadening opportunities and enhancing productivity.</p> <p>b. Goal and purpose: The goal is to achieve the country's long-term development target and to realize the economic potential through establishment of the competitive business environment. Specifically, the project will help the government implement the Northern Region Strategic Action Plan and monitor its progress.</p> <p>c. Components and outputs: (i) Strengthening the coordination/monitoring mechanism between central and</p>								

provincial authorities to ensure implementation of the Northern Region Strategic Action Plan; (ii) developing capacity of key stakeholders for monitoring and identifying business constraints, and facilitating public consultations; (iii) strengthening the mechanism for disseminating information on development activities and related business opportunities to investors and other stakeholders; (iv) strengthening economic coordination mechanism with neighboring countries to expand international market access; (v) further developing specific policy actions to liberalize contract farming and other economic activities, with a view to promote competition among enterprises; and (vi) helping the government and northern provinces reflect the strategic direction into plans and investment programs.

d. Expected results and deliverables: Strengthened northern region coordination network, strengthened stakeholders' capacity for monitoring business constraints, information dissemination mechanism on development activities, strengthened coordination network with neighboring countries, and specific policy recommendation to promote competition among enterprises. The findings will feed into ADB's next full CSP.

e. Social or environmental issues or concerns: None.

f. Plans for disseminating results/deliverables: Workshops for discussion of output.

7. Proposed executing/implementing agency or agencies: Committee for Planning and Cooperation

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The government's country team will be utilized.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2003

b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory):

c. Period and duration of assistance
 Lending:
 Nonlending: 2005-2006

10. Financing Plan

- a. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$600,000
 - Other:

If cofinancing is required, indicate amount and sources sought: \$ _____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	600,000
Government Financing	105,900
Other Financing	
Total Cost	705,900

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.8: Capacity Building for Gender Mainstreaming
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law and public sector management Subsector: National government administration</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Theme:</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Operations Coordination Division, Mekong Department</p>								
<p>5. Responsible ADB officer: Y. Uehara, senior social sector development specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Mainstreaming women's concerns and gender issues is a central part of the government and Asian Development Bank's (ADB) strategy to reduce poverty in the Lao People's Democratic Republic (Lao PDR). However, sole responsibility for gender issues has been placed on the Lao Women's Union, which is burdened by its limited resources. Capacity needs to be developed within the key line ministries—responsible for planning, agriculture, education, and health—to address gender issues in their own planning process and poverty reduction programs.</p> <p>b. Goal and purpose: (i) Support the key line ministries to reduce poverty among women through gender mainstreaming in policies and programs to ensure that poverty reduction interventions will equally benefit men and women; and (ii) help build the capacity of the soon-to-be established National Commission on Advancement of Women (NCAW)-Lao, as its members represent key line ministries.</p> <p>c. Components and outputs: (i) Develop sector gender strategies for the selected key line ministries; (ii) develop sector-specific training manuals in the Lao language for the central, provincial, and district levels; (iii) carry out training programs for government officials at all levels; and (iv) support a national radio program for raising</p>								

gender awareness in villages.

d. **Expected results and deliverables:** Enhanced gender awareness and technical capacity of government staff at all levels in the selected key line ministries to reduce women's poverty.

e. **Social or environmental issues or concerns:** None.

f. **Plans for disseminating results/deliverables:** National and provincial workshops, and a national radio program.

7. Proposed executing/implementing agency or agencies: Committee for Planning and Cooperation

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:
A consultative process will decide which line ministries will be included.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005

b. Expected date of submission for approval
Lending:
Nonlending (project preparatory):
Nonlending (other than project preparatory): 2005

c. Period and duration of assistance
Lending:
Nonlending: 2005-2006

10. Financing Plan

a. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds: \$400,000

Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	400,000
Government Financing	70,600
Other Financing	
Total Cost	470,600

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.9: Development Impact Assessment of Asian Development Bank Operations
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law and public sector management Subsector: Public finance and expenditure management</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input checked="" type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Operations Coordination Division, Mekong Department</p>								
<p>5. Responsible ADB officer: G. H. Kim, senior programs economist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The current country strategy and program (CSP) for the Lao People's Democratic Republic (Lao PDR) was prepared in 2001. The main theme of the CSP is to reduce poverty by broadening community participation and opportunities. Asian Development Bank (ADB) operations will focus on rural development and market linkages, human resources development, sustainable environmental management, private sector development, and regional integration. ADB's interventions will focus on the northern provinces and Savannakhet Province.</p> <p>b. Goal and purpose: The study will assess ADB's operations in the Lao PDR in terms of relevance, efficiency, and effectiveness. The findings will provide the groundwork for the next CSP, which is tentatively scheduled for 2006.</p> <p>c. Components and outputs: (i) Review of documents related to ADB's past operations for the Lao PDR at subregional, national, sector, and project levels; (ii) consultation with government agencies and stakeholders; (iii) preparation of overall assessment and sector assessment; and (iv) lessons and recommendations for a new CSP.</p>								

d. **Expected results and deliverables:** Enhanced development impact from ADB operations and a better CSP.

e. **Social or environmental issues or concerns:** Not applicable.

f. **Plans for disseminating results/deliverables:** Mekong management team meeting and country team meeting.

7. Proposed executing/implementing agency or agencies: Not applicable.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:
The government's country team will be established and utilized.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004

b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): 2005

c. Period and duration of assistance
 Lending:
 Nonlending: 2005

10. Financing Plan

a. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: TBD
- Grant TA funds:
- Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	TBD
Government Financing	
Other Financing	
Total Cost	TBD

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TBD = to be decided.

**Table A3.10: Capacity Building for Decentralized Project Financial Management
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law and public sector management Subsector: Public finance and expenditure management</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Theme:</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Project Coordination and Procurement Division, Central Operations Services Office</p>								
<p>5. Responsible ADB officer: Z. Teng, portfolio management specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Over the last 5 years, the Lao People's Democratic Republic (Lao PDR) has gradually introduced several important steps to increase the efficiency of public services, including the issuance of the Prime Minister's Decree on Decentralization in 2000. The Asian Development Bank's (ADB) country strategy and program (CSP) update for 2005-2007 identifies governance and capacity building as focus areas.</p> <p>b. Goal and purpose: To improve decentralized project financial management and efficient utilization of official development assistance funds by developing and rationalizing the decentralized financial management procedures and strengthening staff capacity in project financial management, particularly at the provincial and district levels.</p> <p>c. Components and outputs: (i) Development of models for a decentralized financial management framework and associated implementing procedures for different types of projects; and (ii) a comprehensive training program on project financial management, contract negotiation, and contract management, including a "training of trainers" program.</p>								

d. Expected results and deliverables: (i) Models for decentralized financial management framework and associated implementing procedures for different type of projects; (ii) quality training materials; (iii) classroom-type short training courses, and national workshop and seminars; and (iv) trained participants.

e. Social or environmental issues or concerns: No adverse social and environmental impact is foreseen.

f. Plans for disseminating results/deliverables: Reports, training, national workshop, and seminars.

7. Proposed executing/implementing agency or agencies: Ministry of Finance (MOF)

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Preliminary consultations on the necessity, objectives, scope, and implementation arrangements for the proposed technical assistance (TA) have been discussed with MOF, Committee for Planning and Cooperation, and line ministries concerned.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004

b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): 2006

c. Period and duration of assistance
 Lending:
 Nonlending: 2006-2007

10. Financing Plan

- a. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$500,000
 - Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	500,000
Government Financing	88,300
Other Financing	
Total Cost	588,300

Source: ADB estimates.

CSP = country strategy and program, RCSP = regional cooperation strategy and program.

ASSISTANCE PROGRAM FOR 2004

Table A4.1: Assistance Pipeline for Lending Products, 2004

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				
						OCR	ADB ADF	Total	Gov't	Cofinancing
2004 Firm Loans (by priority order)										
Transportation and Communication										
1. Roads for Rural Development	CPI	ECO	MKID	2001	39.2	0.0	17.7	17.7	8.2	13.3
Subtotal					39.2	0.0	17.7	17.7	8.2	13.3
Agriculture and Natural Resources										
2. Northern Community-Managed Irrigation	CPI	ECO	MKAE	2001	13.0	0.0	10.0	10.0	3.0	0.0
Subtotal					13.0	0.0	10.0	10.0	3.0	0.0
Finance										
3. Rural Finance Sector Development	PI	PSD/GOV/ GAD	MKGF	2003	12.0	0.0	10.0	10.0	2.0	TBD
Subtotal					12.0	0.0	10.0	10.0	2.0	0.0
				Total	64.2	0.0	37.7	37.7	13.2	13.3

ADB = Asian Development Bank; ADF = Asian Development Fund; CPI = core poverty intervention; ECO = sustainable economic growth; GAD = gender and development; GOV = governance; MKAE = Mekong Department Agriculture, Environment and Natural Resources Division; MKGF = Mekong Department Governance, Finance, and Trade Division; MKID = Mekong Department Infrastructure Division; OCR = ordinary capital resources; PI = poverty intervention; PSD = private sector development.

Source: Asian Development Bank.

Table A4.2: Assistance Pipeline for Nonlending Products and Services, 2004*

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2004							
Agriculture and Natural Resources							
1. Forestry Plantation for Livelihood Improvement (Supplementary Plantation for Livelihood Development)	MKAE	PPTA	TASF	150.00		0.00	150.00
2. Capacity Building for Smallholder Livestock Systems in Lao People's Democratic Republic	MKAE	ADTA		0.00	PRF	550.00	550.00
3. Marketing Support for Organic Products of Ethnic Minorities	MKAE	ADTA		0.00	PRF	600.00	600.00
4. The Extent and Impacts of Gender Inequality in Women's Access to Land, Forests, and Water Resources on Poverty Reduction in Lao People's Democratic Republic	MKAE	ADTA		0.00	PRF	250.00	250.00
Subtotal				150.00		1,400.00	1,550.00
Industry and Trade							
5. SME Development	MKGF	PPTA	TBD	700.00		0.00	700.00
6. Integrating the Poor in Regional Trade through Standard-Setting for Private Sector Development (Phase II)	MKGF	ADTA		0.00	PRF	700.00	700.00
Subtotal				700.00		700.00	1,400.00
Finance							
7. Institutional Strengthening for Rural Finance	MKGF	ADTA	TASF	400.00		0.00	400.00
Subtotal				400.00		0.00	400.00
Water Supply, Sanitation, and Waste Management							
8. Urban Development	MKSS	PPTA	TASF	200.00		0.00	200.00
9. Capacity Building for Decentralized Municipal Governance	MKSS	ADTA	TBD	200.00		0.00	200.00
Subtotal				400.00		0.00	400.00
Education							
10. Basic Education Development	MKSS	PPTA	TBD	600.00		0.00	600.00
Subtotal				600.00		0.00	600.00

* Multicountry nonlending products and services are covered in the GMS: Regional Cooperation Strategy and Program 2004–2008.

ADB = Asian Development Bank; ADTA = advisory technical assistance; GMS = Greater Mekong Subregion; MKAE = Mekong Department Agriculture, Environment, and Natural Resources Division; MKGF = Mekong Department Governance, Finance, and Trade Division; MKSS = Mekong Department Social Sectors Division; PPTA = project preparatory technical assistance; PRF = Poverty Reduction Cooperation Fund; SME = small- and medium-sized enterprise; TASF = Technical Assistance Special Fund; TBD = to be determined.

Continued on next page.

Table A4.2—Continued*

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
Transport and Communication							
11. Poverty Reduction through Development of Sustainable Land Use Systems in the Nam Ha Watershed	MKID	ADTA		0.00	PRF	1,000.00	1,000.00
				0.00		1,000.00	1,000.00
Energy							
12. GMS: Nam Theun 2 Hydropower Development (Phase II)	MKID	PPTA	TASF	1,000.00		0.00	1,000.00
				1,000.00		0.00	1,000.00
Law and Public Sector Management							
13. Institutional Strengthening for Poverty Monitoring and Evaluation	MKOC	ADTA	TASF	400.00		0.00	400.00
14. Governance Assessment	MKGF	ETSW	SC/IAE				
				400.00		0.00	400.00
	Total			3,650.00		3,100.00	6,750.00

* Multicountry nonlending products and services are covered in the GMS: Regional Cooperation Strategy and Program 2004–2008.

ETSW = economic, thematic, and sector work; IAE = internal administrative expense; MKID = Mekong Department Infrastructure Division; MKOC = Mekong Department Operations Coordination Division.

Source: Asian Development Bank.