

Template for SWG reporting

Name of Sector Working Group: Infrastructure Sector Working Group

SWG Chair:

H.E. Viengsavath SIPHANDONE
Minister of Ministry of Public Works and Transport

Co-Chair(s): 3 Co-Chairs

1. H.E. Takewaka, Ambassador of Japan Embassy to Lao PDR
2. Ms. Sonomi Tanaka, Country Director, ADB Resident Mission to Lao PDR
3. Mr. Alexander Kremer, WB Country Manager to Lao PDR

SWG Secretariat Focal Point:

Mr. Sengdarith KATTIGNASACK,
Director General, Department of Planning and Cooperation (DPC)

- Government Officials:

- Mr. Khamphong Somvichit,
Deputy Director General, Department of Planning and Cooperation (DPC)

- Development Partners:

Mr. Masatoshi Ishida, Second Secretary, Embassy of Japan
Mr. Sombath Southivong, Senior Infrastructure specialist WB
Mr. Vanthong Inthavong, Project Officer ADB

Technical Supporting Staff:

- Government Officials: Department of Planning and Cooperation (DPC)
- Development partners: Embassy of Japan, WB & ABD

Overview of Sector Performance in 2020/2021

Sector outputs and activities	Update on the Progress/note on situation and relevant information to highlight sector performance	Challenges, opportunities and way forwards
<p>A. Actions/activities relating to the RTIM key recommendations and those highlighted in SWG Call for Action 2020/2021</p> <p>(Sector Group on Infrastructure to review the Transport Infrastructure Master plan for priority setting with proper expenditure planning balanced against the desired outcomes within the social sectors in view of the current budget constraints and to agree on creation of a quality control unit within the Government leadership to ensure oversight of all infrastructure development initiatives for a standardized approach for low-cost quality infrastructure across the country)</p>	<p>MPWT 5-year Development Plan components in 2 mains part has approval as:</p> <p>1) Completed Policy framework in 2019-2020 as evaluation of 5 YP 2016-2020, direction of 5YP 2021-2025 in term of policies, mechanism and measures for implementation as:</p> <ul style="list-style-type: none"> • Vision, Overall Goals and Management-enabling Objectives. • Logical consistency with NSEDP-9 • SDGs in MPWT's 5YP • 11 Programs and 59 Priority Work Activities. 	<p>Challenges:</p> <p>1. Securing funds for projects/activities:</p> <ul style="list-style-type: none"> • MPWT is seeking funders for the public investment projects/activities with high grant-element condition. • In the subjects of: <ol style="list-style-type: none"> 1) Poverty reduction and Gender/social disparity elimination. 2) SDGs related subjects, SDG-6, 9, and 11. 3) Priority areas on the National Agenda 2021-23:

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	<p>2) Implementation system is developing as:</p> <p>(1). 5 years action plan (5Y long list, 5Y short list and budget share summary)</p> <p>(2). Monitoring & Evaluation System (Theory of Change, Monitoring Framework and 3-year Rolling Plan).</p> <p>(3). 5YP Management Committee (Management Committee and Focal point officials).</p> <p>(4). Standardized Operation Procedure (SOP)</p> <ul style="list-style-type: none"> • SOP-1 for 5YAP 1). workflow, 2) task list, 3) even calendar. • SOP-2 for M&E 1) prioritization Guideline. 2). development budget analysis report. 	<ul style="list-style-type: none"> • Connecting infrastructures to the regional and domestic economic-corridors and LCR. • Improving public investment and financial (budget) management. • Developing modernized transport system, logistic parks, and dry ports. • Develop Smart City Plan with Environmental friendly. <p>2. Capacity development for 5YP implementation:</p> <p>MPWT needs technical assistance for the capacity development of the PWT sectors in the following subjects:</p> <ul style="list-style-type: none"> • Policy analysis and formulation. • Public investment and financial management • Institutional capacity development for PPP • PWT sector statistics • M&E operation (2nd phase) <p>Way forwards:</p> <p>1) Develop 5 years action plan implementation system; 5 years action plan and monitoring system, institutional/legal arrangement.</p> <p>2) M&E and 5 years action plan operation 1st phase.</p> <p>3) Develop ODA-MIS of MPWT.</p>
<p>B. Communication and outreach activities with the sector and across Sector Working Groups</p>	<p>Stakeholder engagement is highlighted as an essential part of decision-making within the public works and transport long-term policy framework. An outcome and programme approach to strategic planning is recognised as requiring</p>	<p>A focus on regional inter-urban, urban, rural functions rather than purely separate modes of the transport system will necessitate different Divisions and Departments working together in formulating plans.</p>
<p>C. Cross-sectoral thematic areas applied to all SWGs</p>		
<p>1. Partnership for Effective Development Cooperation (in accordance to VDCAP 2015-2025) (Only narrative on each principle)</p> <p>1. Ownership & 2. Alignment</p>	<p>1) MPWT's adoption of more evidence-based planning including data management, appraisal and propitiation of projects, and improved monitoring</p>	<p>Challenges:</p> <p>- DP's partnership strategy should be harmonised with sector strategy.</p>

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<p>3. Harmonisation & Simplification</p> <p>4. Inclusive Partnership for Development Results</p> <p>7. South-South Cooperation, Triangular Cooperation, and Knowledge Sharing</p> <p>8. Business as a Partner in Development</p>	<p>represents a move towards result-based planning practices.</p> <p>2) MPWT's adoption of standard operating processes and the Project Life Cycle Management and Monitoring Platform with more accurate and comprehensive reporting of project costs and progress should provide a stronger link between project spend and the fiscal space available within national budget allocations – including ODA.</p> <p>1) Integration of 10 allocated SDG indicators for MPWT into the 5YP monitoring framework.</p> <p>2) M&E system on the progress of 5YP with result-based indicators in gradual steps.</p> <p>3) Coordinating with the current MPWT statistic system with 5YP monitoring</p> <p>Use the Round Table Process is a greater mechanism for effective partnership cooperation, especially, for mobilization fund and exchange knowledge with multiple development partners, multiple Ministries and Provinces and multiple sub-sector Departments.</p> <p>There are many projects are ongoing under cooperation with south-south cooperation partners as Lao-China railway project, Vientiane – Vangvieng expressway, which contributes to the economy growth (GDP and employment)</p> <p>MPWT has establishment a potential pipeline of PPP projects and develop a mechanism for disseminating and promoting these to the private sector. This will need to be accompanied by clear guidance on a framework and process for determining, appraising and approving PPP projects.</p> <p>In addition, a strengthened dialogue with the logistics sector would assist in encouraging private sector investment in developing and operating improved logistics facilities and reducing cross-border barriers to trade.</p>	<p>- Engagement with development partners and international investors is equally important given the need to draw on ODA support for investment programme.</p> <p>- To establish and develop a proper PPP management mechanism of the IS public sector.</p> <p>- Technical capacity in formulating and selecting PPP projects with the best value-for-money (VFM).</p> <p>- Technical capacity to assess risk and due diligence of the PPP projects in the public finance management context.</p> <p>- To enhance procurement and supervision system of the PPP projects that can assure transparency and fair competition for the best VFM and service quality among the proposing private partners.</p>
<p>2. Innovation and technology</p>	<p>MPWT sees business process modernization and digital transformation as one of the 8 Management-enabling Objectives in our 5-year Development</p>	<p>-Development guideline, especially, legislation, regulation of vehicle management.</p>

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	<p>Plan 2021-2025. Transport Sector has advanced with engaging Private company to operate an Online Vehicle Registration, and the FS has been completed.</p> <p>ICT Development: This sub-component is funded by IDA- and implementing by Permanent Secretariat Office (PSO) to: i) improve the IRAM; ii) upgrade and roll out the road sector information and communication technology systems including e-archive, e-procurement.</p> <p>Over the term of the National Agenda, 2021-2023, MPWT will be developing 3 data management tools to manage and help with monitoring, including, Project Life Cycle Management and Monitoring Platform (WB), Strategic Planning M&E System (WB) and Platform for Business Registration (WB)</p>	<p>- Due to Covid 19 the contract is required for further extension.</p>
<p>3. Promoting gender equality and women's empowerment and accelerating the adoption and implementation of the National Youth Policy</p>	<p>Capacity building and gender: Total 51 topics were implemented as at 30 September 2021 with total 3,954 participants (746 females or 19%) in which from ministry 1,314 (386 females), provinces 2,249 (355 females) and districts 364 (5 females).</p> <p>Capacity is also focus on gender and action plan to implement MPWT's strategy for advancement of women.</p>	<p>Challenges:</p> <ol style="list-style-type: none"> 1) Females are more engaged in managerial level from 2017 to 2020. 2) Need more capacity human resource development in the sector.
<p>4. Other emerging issues such as impact of COVID-19 and response</p>	<p>Infrastructure investment has a key role to play.</p> <p>Funding is a key challenge and steps have been taken to facilitate PPP with a Government decree issued in mid-2019.</p> <p>Key pillars in the Lao public works and transport five-year development plan (PWT 5YP) include managing existing infrastructure assets improving resilience to climate change and improving regional connectivity. The former remains a high priority and increasingly necessary to consolidate assets given greater fiscal constraints resulting from the economic impact of the pandemic. Improving regional connectivity is vital to the economic development of Laos and needs to ensure Laos moves from a land-locked to a land-linked country. This necessitates investment in economic corridors connecting neighbouring countries and providing the focus for urban development. Given Lao's strategically positioned role in the Greater Mekong sub-region these priority corridors are likely to be increasingly important in</p>	<p>Challenges:</p> <p>Public finance challenges that COVID-19 pandemic has further impacted:</p> <ol style="list-style-type: none"> 1) Developing infrastructures that connect the regional and domestic economic-corridors and LCR with production areas of agriculture, iron ore, and manufacture and service industries. 2) Developing modernized transport system, logistic parks, and dry ports.

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	<p>supporting the growth in trade and tourism post the pandemic.</p> <p>The role of aviation to improve both domestic and international connectivity remains important despite the impact of the pandemic.</p> <p>It is highly likely that the pandemic has accelerated greater use of online activity with more flexible working arrangements and in particular parcel delivery. Digital initiatives warrant greater consideration for providing connectivity for rural communities however, the policy of providing road access to education, health and employment opportunities remains an important element of the sector strategy.</p>	

