

14th Infrastructure Sector Working Group Meeting

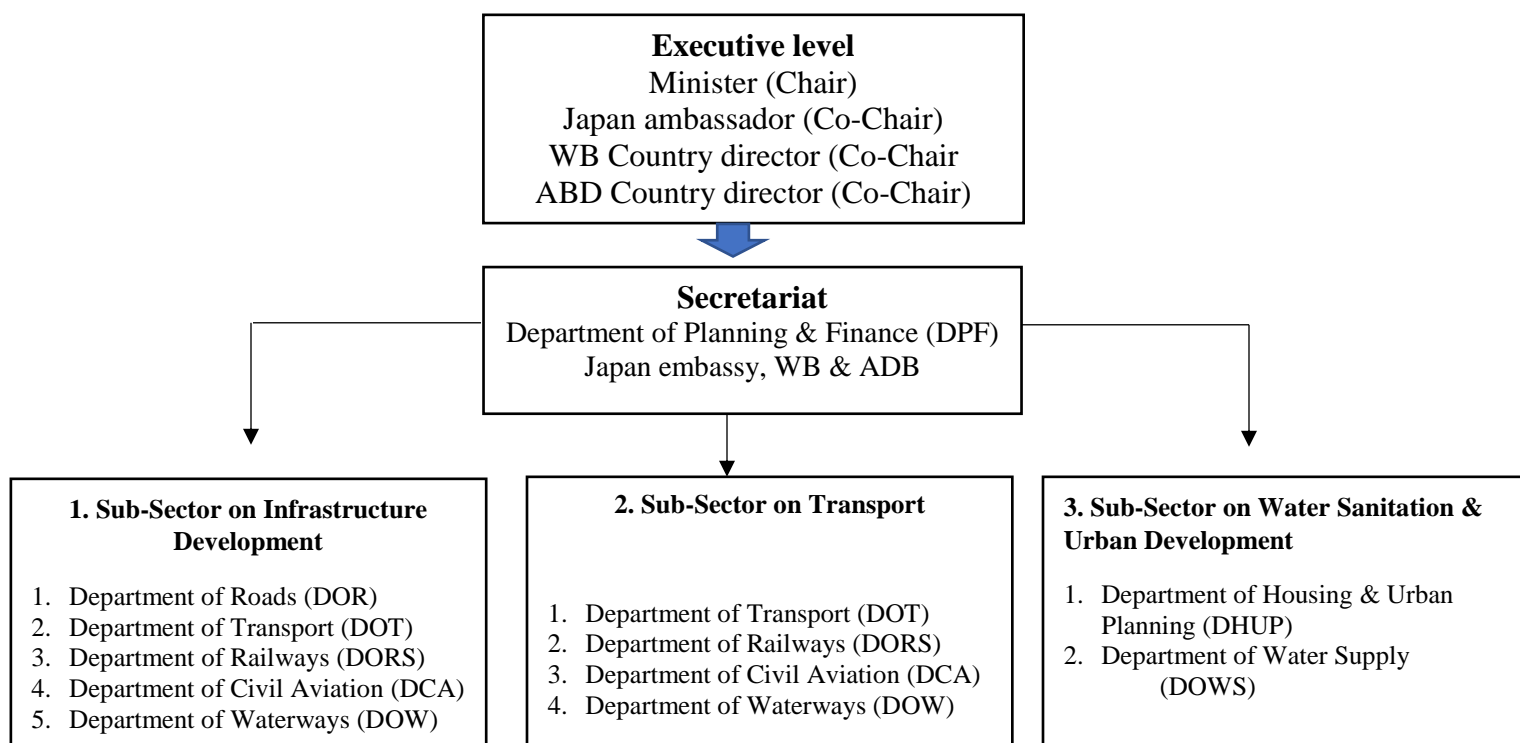
11 November 2022, Vientiane and via video conference

Concept Note

Background

- The Infrastructure Sector Working Group (ISWG) is one of ten sectors working group under the Round Table Mechanism (RTM). The ISWG is aims to support the implementation of the Ministry of Public Works and Transport 5 Year Development Plan 2021-2025 (MPWT) and to support the implementation of the 9th National Socio-Economic Development Plan (2021-2025) of the Lao PDR and to contribute to the Sustainable Development Goals (SDGs) 6, 9 and 11 of the 2030 Agenda for Sustainable Development.
- Good progress has been made over the last few decades but given changes in global and regional context, we cannot rely on past policies and ways of working to address the future. Whilst we should build on past achievements, new thinking and modernization is required to address future challenges and opportunities
- Globally there is increased uncertainty regarding geopolitics and economic growth. Laos faces more acute and multi-faceted challenges, not least new globalization trends post-Covid together with global macro-economic conditions impacting on Laos.
- Sector challenges need to be addressed including deep-seated issues regarding economic development, an uncompetitive logistics sector, poor condition of infrastructure assets, vulnerability to climate change, increasing road traffic casualties and the need for measures to reduce the debt burden in line with the National Agenda 2021-2023 for addressing financial austerity.
- In addition to long-standing issues and the challenges posed by the pandemic, there are new areas for the Laos public works and transport sector to pursue:
 - Integrating multi-modal transport – more with rail providing new opportunities. The Lao China Railway can transform connectivity for parts of northern Laos however, actions are necessary to realise these opportunities.
 - Sub-regional economic corridor development including trade facilitation. Lao PDR is at the heart of the Greater Mekong sub-region and needs to work with neighbouring countries and regional agencies to maximise its role
 - Reducing greenhouse emissions. Lao PDR's Nationally Determined Contribution (NDC) proposals are aimed at achieving net zero greenhouses gas (GHG) emissions by 2050. The proposals include a significant role for the transport sector, which needs to minimise GHG emissions without jeopardising Lao's economic growth.
- A fundamental constraint to addressing all these challenges, is the lack of capacity in terms of institutional structures, entrenched existing ways of working, cumbersome and inefficient business processes as well as human resource and skills gaps

- Overall, the PWT sector has an important role to play in facilitating economic development and sustainability. Yet it is clear that there is a gap between where the sector is now and where it needs to be in the future.
- The challenges facing the sector in realizing the infrastructure development objectives require predictable and long-term fund sources. MPWT need to respond and require a clear direction, a strategic framework, to manage the sector going forward. Clear and consistent criteria are needed for long-term outcome evaluation of the sector’s development plan to determine how it supports the improvement of the Lao peoples’ life and the economic growth.
- **The structure of ISWG 2022**



Meetings and Mechanisms: The executive meeting of ISWG will normally hold once every year and for the technical level meeting hold twice a year.

- The 13th of Infrastructure Sector Working Group Meeting 2021 (ISWG) was held on 10 November 2021 Under Theme: “Leverage the land-linked potentials of Lao PDR through multi-modal transport solutions and moving toward area-wide development approach”. The Meeting discussed on 4 topic areas and can be summarized as follows:
 1. What do DPs see as the next steps in Lao PDR achieving integrated multi-modal transport, beyond the Lao-China railway?

Clusters and cities – the way of thinking needs to change with a move from projects to a more integrated approach preparing cities for rapid growth driven by increased competitiveness. This applies not just infrastructure but systems for co-ordination between institutions, prioritization of

resources, synergies between investments between major and minor roads. Investment in skills is important.

2. Lao PDR's economic development is reliant on the country playing a strategic role in the GMS, how can this best be achieved?

Clusters and reforms– focus should not be on individual projects but instead trade policy, logistics and capacity building can interact to achieve synergies. The GMS2030 strategy provides a framework and focus should be on E-W as well as N-S corridors.

3. How can DPs best contribute to building sustained capacity in the Lao PWT sector?

Processes and culture – capacity development needs to be more than investment in skills but also in the processes by which decisions are taken. Two of the many areas where DPs are providing support are in management processes and culture.

4. What further steps are necessary to increase private sector participation and to attract FDI?
Rules and transparency –Having a legal foundation for PPP is important. Transaction identification needs to be done in a rules-based manner. Private investors will look at macro-econ risks.

The 14th of Infrastructure Sector Working Group Meeting 2022 (ISWG)

Objectives of the Meeting

- 1) To Follow up the 13th High level Round Table Meeting 2021, and response to Roundtable Meeting 2022, particularly to, among of Sector Progress Report in 2022, Key challenges and way forward.
- 2) To enhance and revitalize the ISWG mechanism to make a difference on the ground and create a platform for the Ministry, DPs and private sector to collaborate for more tangible contributions to the sector and national development plans.

Expected Outcomes

1. Update the progress and achievements over 2022 in relation to sector strategic planning and its implementation;
2. Agree upon actions for 2023 and beyond to address sector challenges and move forward sector strategic priorities to get closer to its visions and goals in supporting the National Agenda 2021-2023, NSEDP 2021-2025, SDG 6, 9 and 11 as well as achieving LDC graduation;
3. Agree upon on road map to address policy issues related to debt, climate change impact, green mobility, logistics, connectivity, cross-border transport, and road safety;
4. Set out Public Works and Transport key inputs for the RTM 2022; and
5. Agree on schedule for quarterly subsector working group meeting.

Format and Arrangement

The workshop will be in hybrid version with onsite participation and online participation via Zoom VC platform with Lao language translation on the 11th November 2022 at the Crowne Plaza Hotel

Budget

1. MPWT will bear the cost of a one-day meeting, including lunch at Crown Plaza Hotel Vientiane through the ongoing WB financed SEARECC.
2. WB will support the onsite and online translation facility.

Participants

The following is invited to participate on site:

1. Director General from line departments of MPWT;
2. Representatives from line ministries;
3. Representatives from Development Partners, including Embassies;
4. Representatives from DPWT 18 provinces; (online)
5. Representatives of 10 SWG;
6. Representatives of SOEs under MPWT; and
7. Representatives from Key Private Sectors

Total number on site and online: 105

Tentative Program Outline

08:00 – 08:30	Registration and Video Link Connection	
Session1: Opening		
08:30-9:00 7 min	Opening Remarks by H.E. Mr. Viengsavath Siphandone , Minister of the Ministry of Public Works and Transport (Chair)	
7 min	Remarks by H.E. Kenichi KOBAYASHI , Ambassador, Japan Embassy to Lao PDR (Co-Chair)	
7 min	Remarks by Mr. Alexander KREMER , World Bank Country Manager to Lao PDR (Co-Chair)	
7 min	Remarks by Ms. Sonomi TANAKA , Country Director, ADB Resident Mission to Lao PDR (Co-Chair)	
Session 2: Sector Strategic Planning Updates		
09:30 – 10:00 30 min	Overview Presentation Covering: <ul style="list-style-type: none">• Framework of the MPWT 5-year Development Plan 2021-2025• Progress of implementation of the 11 programs• Priority projects in fund-seeking list• Highlight Progress of PPP Pipeline Projects• Challenges & Ways forward	Ms. Vanh DILAPHAN , Head of ISWG secretariat Acting Director General, Department of Planning and Finance, Ministry of Public Works and Transport
10:00-10:15 15 min	Group Photo & Coffee Break	
Session 3: Keynote Update on the Progress Implementation		
10:15 - 10:25 10 min	Progress of Implementation: OAG 1,2,4,8 & 9; PG 1,8 & 11	Mr. Litta KHATTIYA , Director General, Department of Roads

10:25 - 10:35 10 min	Progress of Implementation: OAG 3,5,8 &9; PG 2,8 & 9	Dr. Bounta ONNAVONG , Director General, Department of Transport
10:35-10:45 10 min	Progress of Implementation: OAG 1, 5,8 &9; PG 3 & 11	Mr.Chanthone SAYAKONE Acting Director General, Department of Railways
10:45-10:55 10 min	Progress of Implementation: OAG 5,6, 8 & 9; PG 6, 8, 10 & 11	Dr. Viengnam, DOUANGPHACHAN Director General, Department of Housing and Urban Planning
Session 4: Open Discussion		
10:55-11:45 50 min	<ul style="list-style-type: none"> • 3 Representatives from North, Middle & South Province • 2 Representatives from SOEs/Private Sector • 5 Representatives from DPs 	Led by Co-Chair Embassy of Japan & ADB
Session 5: Summary and Closing		
11:45-11:55 10 min	Summary of Key Outcomes and Agreed Actions by Co-Chair WB	
11:55-12:00 5 min	Closing Remarks by H.E. Mr. Viengsavath Siphandone , Minister of the Ministry of Public Works and Transport (Chair)	
12:00-13:30 90 min	Luncheon	All participants