



Ministry of Public Works and Transports

Improving Public Expenditure Efficiency in Infrastructure Development – Lao PDR Case

Department of Planning and Cooperation

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Outline

Country & Sector Context

Planning Process & Project Prioritization

Sector Investment : challenges and opportunities

Infrastructure Operation and Maintenance – Case of Roads

Country Context



- Land-locked
- LDC
- Located at gateway & transit position
- Average GDP Growth 7.5%/annum (past 15 yrs)
- Energy & natural resource sectors economic booster

Public Works and Transport Sector Context

Roads & Bridges

- Network: 51,957 km
- 12 sub-regional & regional Rds
- 8 AHs & only 2 met ASEAN Class III

Waterways

333 Km of navigation channel (linking south China with Northern Laos, Thailand & Myanmar)

Border-Crossing Facilities

20 points (mostly with Vietnam & Thailand)

Water Supply

71% of urban citizens having access to water supply and 9 ongoing projects

Civil Aviation

12 airports, incl. 4 international

Railways

3.5 km (Thanaleng Vientiane, Laos – Nongkhai, Thailand) & 2 ongoing projects

Town Development

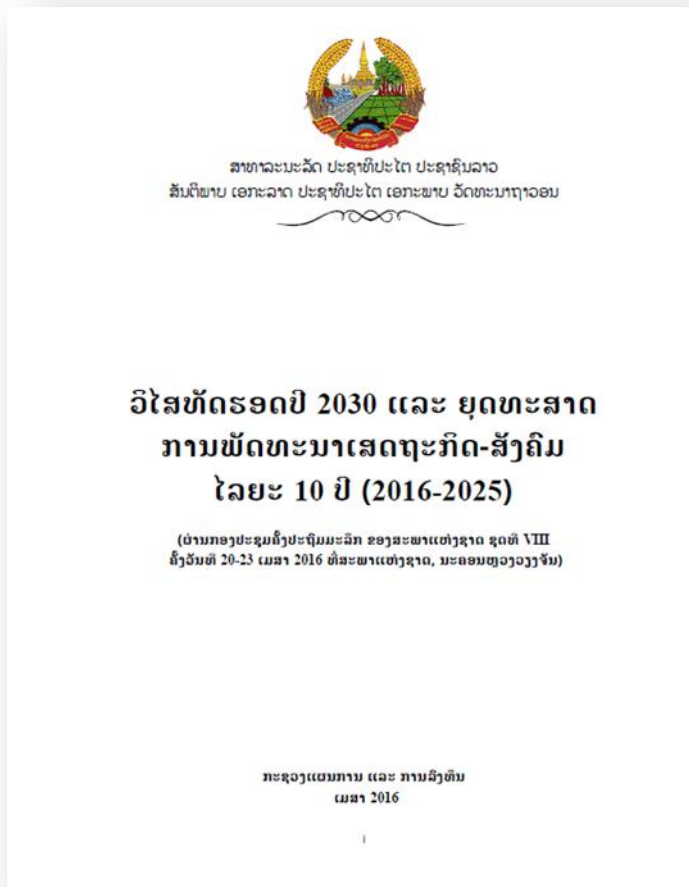
3 ongoing projects undertaken along major economic corridors

Logistic Facilities

9 dry ports & 4 logistic parks under investment plan



National Plans and Strategies



Ten-Year National Social-Economic Development Strategy (April 2016)



Five-Year National Social-Economic Development Plan (June 2016)

PWT Sector Development Plan and Strategy



Ten-Year Public Works &
Transport Sector Development
Strategy (2016-2025)



Five-Year Public Works &
Transport Sector Development
Plan (2016-2020)

Cores on Project Prioritization of PWT Sector

Global
Level

2030 Agenda or SDGs: 17 goals + 18th
Lao PDR UXO goal

National
Level

National Vision toward 2030

PWT related areas among others

- Strong basic infrastructure system to support industrialization and modernization
- Improving development of disparities btw. urban & rural areas
- Moving toward regional and international integration

5 Yr NSEDP: 3 Outcomes & 20
Outputs

10 Yr NSEDS: 7 Strategies

Sector
Level

5 Yr PWTDP: 5 workplans, 44
Outputs

10 Yr PWTDS: 11 Strategies

Project Proposal #1

Project Proposal #2

Project Proposal #3



Challenges on Sector Investment and Project Implementation

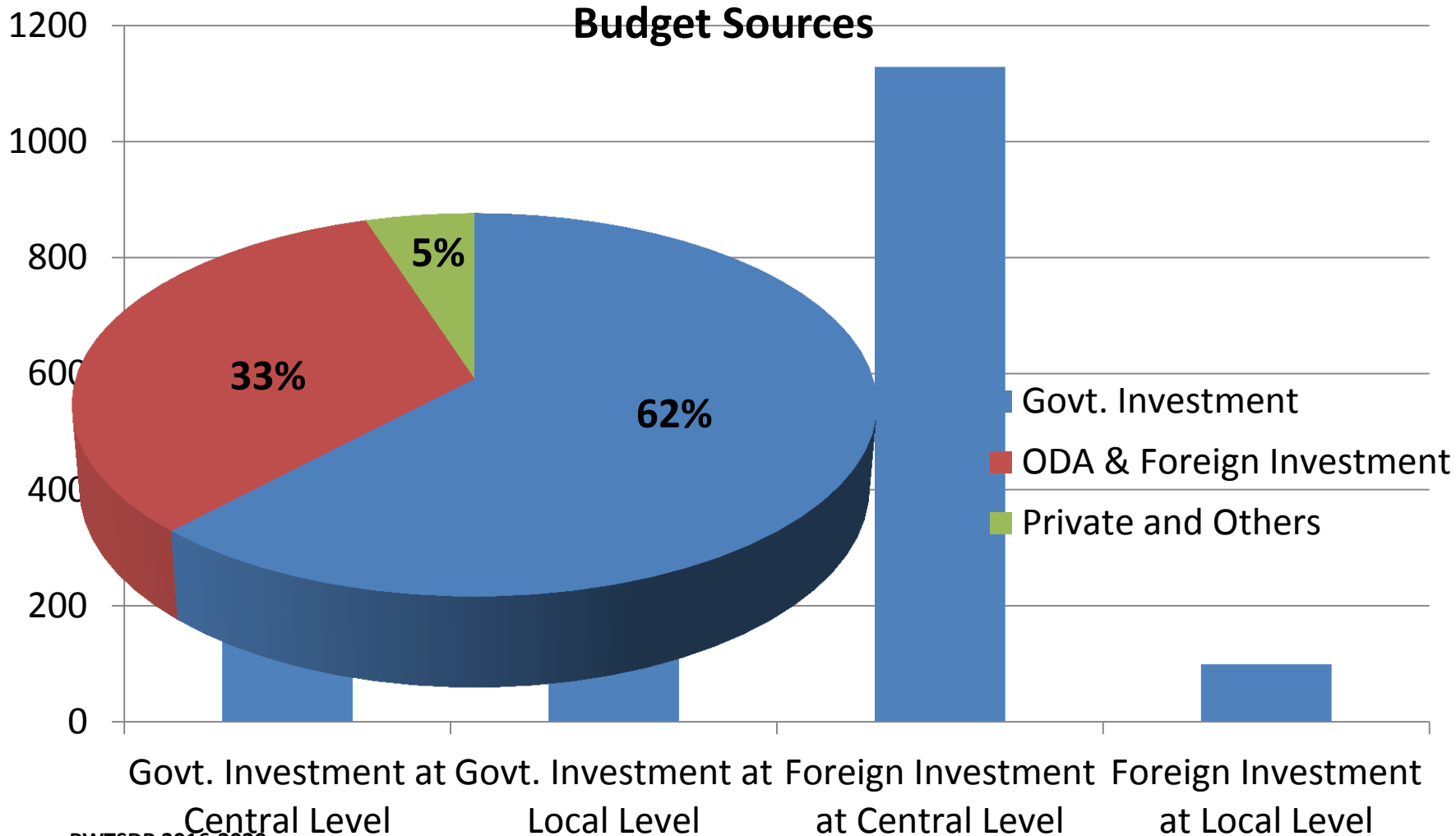
1. Unbalanced **budget** allocation, e.g. new investment VS maintenance and limited financing sources
2. Barrier on regional integration due to under **standard of existing infrastructure**, e.g. road standards, logistic parks and options of multi- model transports
3. Unclear and lack of **institutional** coverage as well as institutional enforcement
4. Limited number of technical & specialized **human resources** and the incomprehensive HR Development Strategy (Govt. Sector)
5. Incapability of **local businesses and entrepreneurs** in handling investment projects and market liberalization with decreasing projections



5-Year PWT Development Investment (2011-2015)

Budget in mill USD

Budget Sources





Sector Potentials and Opportunities

1. Employ the advantages of Lao PDR location to become **transport transit service provider**
2. **Balance budget allocation** between economic, social and environmental investments and comprehensive maintenance
3. Source **innovative project financing models**, such as OPBRC with an emphasis on mobilizing private sector capitals
4. Sector-wide approach project implementation by including **institutional strengthening** and **capacity building** components in infrastructure projects
5. **Strengthen capacity and promote local businesses** to be able to cooperate rather than compete in regional markets



Road Maintenance Operation and Challenges

Challenges

1. Shortages of fund for upgrading and maintenance
2. Deterioration of unpaved roads in the wet season
3. Unenforceable truck overloading control
4. Lack of macro-management, including strategic planning, rules, regulations, laws, standards, and specifications
5. Insufficient capacity for road asset management and governance

Addressing Measures

1. Improve efficiency of road asset management including road maintenance financing, road safety, climate resilience
2. Improve maintenance, planning and monitoring mechanism
3. Improve the network to be more climate resilient : effective routine maintenance, climate resilience periodic maintenance & spot improvement
4. Improve efficiency of road maintenance management : PBC, area wide maintenance packaging and community-based road maintenance
5. Enforce overloading control



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Thank you for your kind attention

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