



## CASE STUDY: FINANCING INTEGRATED SANITATION

# Luang Namtha



### Quick Facts

Country:	Lao PDR
Population:	19,895 Inh.
Adm. Area:	12.0 km <sup>2</sup>

### Luang Namtha



**Executive Member of City Alliance**  
since 2017

### Contact

Mr. Layang Huelong  
GMS2 PIU Director of Luang Namtha  
+85 620 56161500  
[layanghl@yahoo.com](mailto:layanghl@yahoo.com)

**Project Start/End Year**  
2014-2028

**City:** Luang Namtha.

**Country:** Lao People's Democratic Republic (Lao PDR).

**Applied financing model:** Loan.

### Quick Facts

**Population:** 19,895 inhabitants.

**Intervention area:** 12 sq.km.

**City GDP:** 1,500 USD/capita.

**Country GDP:** 2,468 USD/capita.

**Estimated Capital Expenditure:**  
1,115,659 USD (wastewater treatment and drainage improvement).

**Actual Capital Expenditure:**  
N/A.

### City Development Priorities

1. Based on the Strategic Local Economic Development Plan of the Second Greater Mekong Subregion East-West Economic Corridor Towns Development (GMS2) strategy.
2. Luang Namtha is belonging to the GMS2 corridor town development project which aims to improve urban services and environment.
3. Priority of the Ministry of Public Works and Transport, Department of Housing and Urban Planning (DHUP) for promotion and implementation of decentralized wastewater management.<sup>1</sup>
4. GMS 2 was recommended Decentralized Wastewater Treatment Solutions (DEWATS) for their wastewater management by DHUP.

### Expected Project Outcomes

1. All project stakeholders in the Luang Namtha are well trained on wastewater management.
2. Treatment of domestic wastewater sources at night market.
3. Complete onsite wastewater management by implementing fecal sludge management.
4. Sustainable operation and maintenance system for service delivery.
5. No significant adverse environmental impacts to public health.

### Current Project Interventions

1. Coaching to DHUP and provincial government for planning, design, implementation and operation of decentralized wastewater management.
2. Develop capacity of the community and local authority for implementation and operation.
3. Provide assistance to provincial authority to develop policies and regulation for management of decentralized systems.
4. Provide assistance for project monitoring and evaluation.

### Key Messages

#### For policymakers:

The project is in conformity with the Government of Lao PDR's (GoL) policy context, including the National Socio-Economic Development Plan and Provincial Plan. The project enhances



the national and local policies and regulation to overcome urban water management challenges.

### For financing institutions:

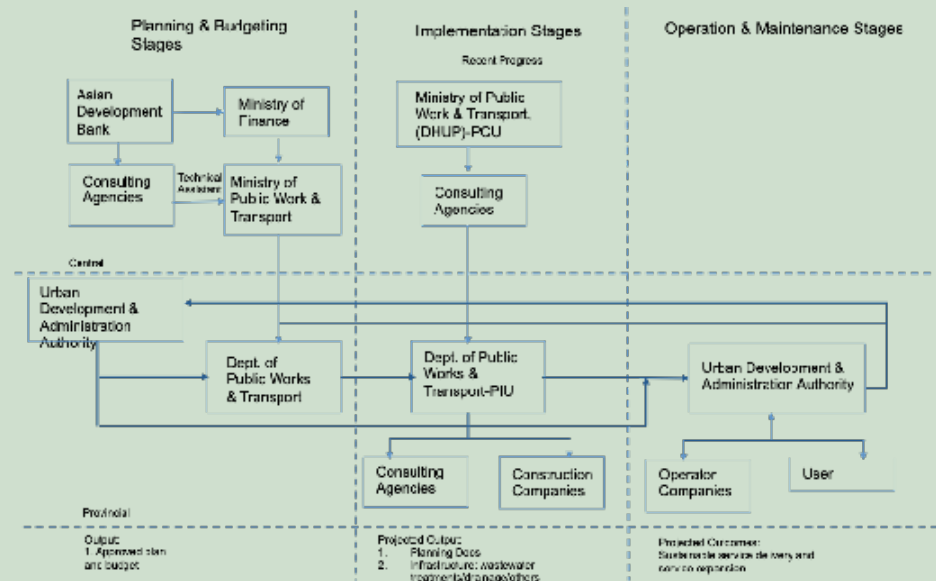
The project is a model for environmental improvement in small towns in Lao PDR. The system solutions and technical modules of Integrated Sanitation Approach (ISA) are recognized as appropriate solutions by national and local government to manage the urban water and are being applied as part of new urban development in two towns.

### For think-tanks and academia:

The project provides appropriate technical solutions for wastewater management in the towns. The domestic wastewater is treated and well managed and monitored. The wastewater treatment system is an on-site learning class for students, local academic institutions and government officers.



## Financing Scheme (as of January 2019)



The GoL through the Ministry of Finance manages a loan from the Asian Development Bank to implement a project "Second Greater Mekong Subregion Corridor Towns Development Project". The project assists provincial governments in developing urban plans for their capital cities which aim to improve urban services through solid waste management improvement, urban roads, drainage upgrades and wastewater management, riverbank protection, river port upgrades, urban renewal, and urban recreation provision.

The Ministry of Public Works and Transport, DHUP and its department at the provincial level are charged to manage the project fund in the planning and budgeting stage within the government budgeting framework.

The ADB and Ministry of Public Works and Transport select consulting agencies and construction companies to deliver project outputs such as urban planning documents and infrastructure for drainage, DEWATS plants, fecal sludge management and solid waste collection and treatment facilities.

The Urban Development and

Administration Authority (UDAA) is a special institution established with mandate to manage provincial capital cities, which includes execution of the urban plan as well as operation and maintenance of built infrastructure. The authority is chaired by the vice mayor.

To ensure sustainable service delivery and service expansion, UDAA will charge users a fee for management and services provided. Considerations to set fee are:

1. The fee for fecal sludge removal and treatment is based on volume.
2. The DEWATS operation and maintenance belongs to the night market operation cost.
3. Collection and treatment of solid waste are billable to cover direct operating cost. UDAA will fund the operation and maintenance of sanitary landfills from general provincial revenue.
4. The revenue from this fee is recorded by the UDAA finance department and earmarked to improvement and expansion of services.

## Contribution to the 2030 Agenda for Sustainable Development

Implementation of the concept of Integrated Sanitation that is applied in this city contributes to achievement of a cluster of Sustainable Development Goals and Targets of the 2030 Agenda for Sustainable Development, such as SDG 1- No Poverty; SDG 6 - Clean Water and Sanitation; SDG 7 - Affordable and Clean Energy; SDG 9 - Industry, Innovation and Infrastructure; SDG 11 - Sustainable Cities and Communities; and SDG 17 - Partnerships for the Goals.

## Contacts

Ratna Aria Laycock, City Alliance (People.Sanitation.Cities) Secretariat, [secretariat@cityalliance-psc.org](mailto:secretariat@cityalliance-psc.org)

Hendra Gupta, AIT- BORDA Regional Competence Center on Urban Waters

Aida Karazhanova, UN ESCAP

Mallory Bellairs, UN ESCAP (Layout)

Helmi Satoto, BORDA (Layout)

Jakrapong Tawala, UNITAR (Administrative map)

<sup>1</sup> UN ESCAP, UN-Habitat and Asian Institute of Technology (2015). Policy Guidance Manual on Wastewater with A Special Emphasis on Decentralized Wastewater Treatment System.