

Financing Integrated Sanitation

City: Luang Namtha

Province: Luang Namtha

Applied financing model: Loan

Quick facts:

Population: 19,895 inhabitants

Intervention area: 12 sq.km

City GDP: 1,500 US\$/capita

Country GDP: 2,468 US\$/capita

Estimated total required monetary investment without compensation cost: USD 1,115,659
(Wastewater Treatment and Drainage Improvement)

Actual monetary investment without compensation cost: N/A

Development priority

1. Based on the Strategic Local Economic Development Plan of GMS2 corridor town development strategy.
2. Luang Namtha is belonging to the GMS2 corridor town development project which aims to improve urban services and environment
3. Priority of DHUP for promotion and implementation of decentralized wastewater management
4. GMS II was recommended DEWATS for their wastewater management by DHUP

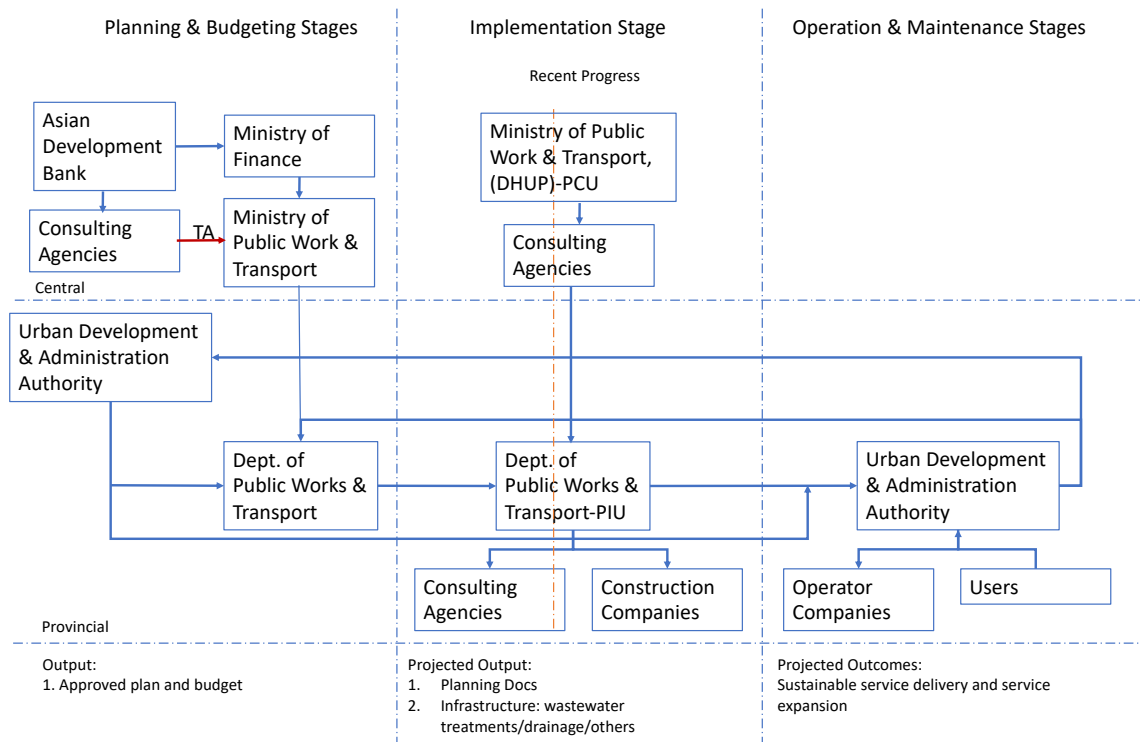
Project outcomes

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

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 mentoring and evaluation

Financing scheme



The Government of Lao People Democratic Republic 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 is initiated to assist provincial government in developing urban plans for its capital city which aims 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 Work and Transport, Department of Housing and Urban Planning 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 output such as urban plan documents and infrastructures for drainage, decentralised wastewater treatment plants, faecal 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 city which includes execution of the urban plan as well as operation and maintenance of built infrastructures. 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 faecal sludge removal and treatment are based on volume.
2. The DEWATS operation and maintenance is belong to the night market operation cost
3. Collection and treatment of solid waste are billable to cover direct operating cost, UDAA will fund operation and maintenance of sanitary landfill from general provincial revenue.
4. The revenue of this fee is recorded by UDAA finance department and earmarked to improvement and expansion of services.