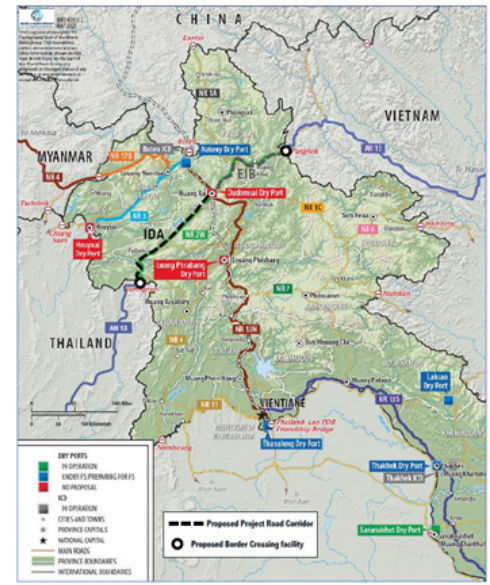


REHABILITATION OF THE LAO NATIONAL ROAD 2

#GlobalGateway #TeamEurope

February 2024

Project Title	Rehabilitation of the Lao National Road 2
Co-funded by	European Union, European Investment Bank, World Bank, and Government of Lao PDR Works and Transport
Main partners	Ministry of Public Works and Transport
Duration	2024-2028
Budget	Total: €150.4 M (EU: €8.4 M, EIB: € 50 M, WB: € 90 M, Government of Lao PDR: € 2 M)



CONTEXT

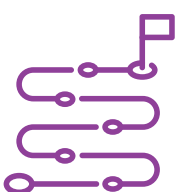
Under Global Gateway, the EU intends to support the Southeast Asia Regional Economic Corridor and Connectivity Project (SEARECC) which aims to improve regional and domestic trade and climate resilient transport connectivity in Southeast Asia. The EU and EIB, in partnership with the World Bank, are expected to support the National Road 2 (NR2) in Lao PDR as part of this regional corridor with works foreseen to start in 2024.

The Lao NR2 locating in the northern Lao PDR is part of the Asian Highway Network No. 13 (AH13) and one of the ASEAN priority investments. The lack of climate resilience is a key limiting factor for NR2 to fulfil its potential as a regional logistic corridor, as this national road is a main transport corridor that connects Lao PDR with Vietnam and Thailand and cuts across the Laos-China railway and expressway.

Improved regional and domestic transport connectivity and logistics are important to facilitate access to markets and public services, which are critical to enhance international competitiveness, attract private investment, and create more jobs.

The project is split in different sections to be financed by as follows:

- NR2 East: Muang Xai to Muang Kua: Approx. 100km (to be financed by the EIB loan and EU-APIF Grant)
- NR2 West: Pakbeng to Muang Xai: Approx. 145km (financed by the World Bank)
- Muang Xai Bypass: 5km, linking NR2 East and NR2 West (to be financed by the EIB Loan and EU-APIF Grant)



OVERALL OBJECTIVE

To support Lao PDR's National Road No. 2 (NR2) rehabilitation, by maintaining and improving connectivity and accessibility and improving climate change resilience of selected road sections.

OUTCOMES

- Rehabilitate the road that is prone to damage from climatic hazards such as washouts, landslides, erosion and flooding during rainy season
- Contribute to Lao PDR's integration with its ASEAN partners and its connectivity with its neighbouring countries
- Develop connections between the EU supported development activities in rural areas and national markets

The Project's main indirect outcomes are the following: Improved opportunities for regional economic development; access to markets; access to basic social services (hospitals, schools).

