

REQUEST FOR EXPRESS OF INTEREST
CONSULTANT TO PREPARE A LOCAL ROADS NETWORK FINANCING STRATEGY
REFERENCE NO. CRRICIP-IC-016

The Government of Lao Peoples Democratic Republic (GoL) has received financing support from the World Bank's (WB) International Development Association (IDA) to implement the Lao PDR Climate Resilient Road Connectivity Improvement Project (CRRICIP), and intends to apply part of the proceeds for consulting services.

The proposed of Climate Resilient Road Connectivity Improvement Project (CRRICIP) seeks to build about 300 km of District Roads and Rural Roads in the poor districts of Khammouan, Savannakhet, and Saravan provinces. The MPWT in consultation with the DPWT of these three provinces had identified a long list of proposed roads. About 100 km of roads in each of the provinces will be selected from the roads in this longlist through a prioritization exercise based on aspects which include: (i) passing through a poor district – based on poverty headcount, (ii) criticality of the link for climate resiliency of the network, (iii) connectivity to agricultural areas, (iv) population served by the road, (v) traffic level, (vi) not passing through environmentally sensitive areas, and (vii) no resettlement of more than 200 people (or 40 households) and/or more than 40 households severely affected with 10 percent of productive assets owned by individual household lost in all three target provinces. The proposed project provides connectivity to National Roads and access to the east-west economic corridor between Vietnam and Thailand thus increasing market linkages and contributing towards greater economic gains to the local communities.

The CRRICIP now intends to engage a part-time, suitably qualified and experienced individual Consultant to Prepare a Local Roads Network Financing Strategy. Specifically, the consultant is required to prepare a local road network financing strategy which will include (i) Road Sector Overview and Expenditure Needs, (ii) Review of current Road Sector Financing, (iii) Fiscal and Macro-economic context, (iv) exploring Financing Options and Reform Scenarios, (v) prepare the Road Sector Financing Strategy and Action Plan. This will be a part-time assignment and the Consultant will work intermittently in Lao PDR and home-based. During visits to Lao PDR, the consultant will be based in Vientiane Capital, MPWT. In the course of entire assignment, the Consultant will cooperate with MPWT and in particular with the Department of Roads (DoR) and the Department of Finance (DPF) as described in the Terms of Reference (ToR). The full ToR for the assignment can be found at the following website : <https://ppmd.mof.gov.la/opportunities/com> or it can be provided to interested candidates upon written request to the email address below.

This will be an output-based contract with part-time inputs, expected to start by February 2027. The Consultant is required to work in Vientiane for at least 50% of the finally agreed time input in person-days. The work plan shall be agreed during contract negotiations.

The CRRICIP now invites eligible individual consultants to indicate their interest in providing the Services. Interested Consultant should provide information (CV, Expression of Interest, other supporting information, if any) demonstrating that s/he has the required qualifications and relevant experience to perform the Services. In order to qualify for this position, the candidates shall meet the following experience and competence requirements :

- At least a Master's degree in transport economy, civil engineering, road/transport contract management, or related fields.
- A minimum of 15 years of working experience in Road Sector institutional reforms and Road Sector financing.
- Preparation / implementation / completion of at least 3 similar projects, including roads' long-term operation & maintenance (O&M) funding & implementation frameworks and/or strategies.
- A minimum of 6 years of experience working with development partners funding the road sector, including WB, ADB or other international institutions.
- Experience in Lao PDR or in other countries in South/ Southeast Asia region is an advantage.
- Familiarity with the GoL road improvement projects and GoL's administrative and other procedures is an advantage.
- Excellent speaking and writing English.
- Excellent communication skills.

- Ability to work independently.

The attention of interested consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrowers" 4th edition of November 2020 ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest. A Consultant will be selected in accordance with the Competitive Selection of Individual Consultants method set out in the Procurement Regulations.

Expressions of interest must be delivered in a written form to the address below (in person or by e-mail) on or before 13 November 2026, 17:00 o'clock Lao time (submissions via email are also acceptable). Only the shortlisted candidates will be contacted. 

Department Planning and Finance, Ministry of Public Works and Transport
Lanexang Avenue, Phonxai Village, Saysettha District, Vientiane Capital, Lao PDR.

Attention : Mr. Vannasone K. Thepvongsa
Deputy Director General, Department Planning and Finance (DPF - MPWT)
Email : proc.dpf.mpwt@gmail.com with Cc : pphonh.plv@gmail.com; inthapada@hotmail.com
and maxmahaxay11@hotmail.com



Mr. Phitsaphonh Philavong

Deputy Director General, Department of Roads
Head of Project Procurement Committee
Dated : 16 October 2026

TERMS OF REFERENCE (TOR)
CONSULTANT TO PREPARE A LOCAL ROADS NETWORK FINANCING STRATEGY
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1. Background

The Ministry of Public Works and Transport (MPWT) is receiving financing support from the World Bank's (WB) International Development Association (IDA) to implement the Lao PDR Climate Resilient Road Connectivity Improvement Project (CRRICIP, the project). The Project Development Objective of the Project is to improve climate resilient road access in Targeted Provinces, enhance capacity to manage the road network, and, in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The project has the following components:

Component 1 : Climate Resilient Road Access, supporting (i) improvement of about 300 km of District Roads and Rural Roads in the provinces of Khammouan, Savannakhet, and Saravan to the standards of Class V/VI roads as per MPWT's Road Design Manual and addressing climate and disaster resilience aspects, (ii) construction supervision of the project road improvement works, and (iii) maintenance of the project roads post improvement during the project period.

Component 2 : Project Management, supporting (i) financial audit, (ii) technical audit of the project road improvement works during construction, (iii) environmental and social monitoring, (iv) road safety audit of the project road designs and awareness campaigns, (v) road user satisfaction surveys carried out at the start of implementation of works, at mid-term, and at the close of the project, (vi) incremental operating costs, (vii) technical and operational assistance for the day-to-day management, monitoring and evaluation of the Project, and (viii) land acquisition, resettlement, and rehabilitation.

Component 3 : Institutional Development, supporting MPWT in (i) capacity building of local contractors in the areas of Output and Performance-based Road Contracts, climate resilience, road safety, and environmental and social risk management, (ii) a study on climate resilient road network planning and prioritization and capacity building of MPWT and DPWTs, (iii) preparation of a road sector financing strategy, (iv) capacity building of MPWT and DPWT staff on cross-cutting issues including road maintenance, output and performance-based road contracts (OPBRC) contract management, road safety, gender, citizen engagement, and climate disaster risk, (v) a female internship program, and (vi) preparation of environmental, social, technical, and economic documents for any future road projects in Lao PDR.

Component 4: Contingent Emergency Response, to support MPWT in case of an Eligible Crisis or Emergency in responding promptly and effectively to it as per the Contingent Emergency Response Manual.

2. Objectives of the assignment

The MPWT intends to procure a consultant to prepare the Local Roads Financing Strategy. A recent study undertaken by MPWT and the World Bank estimated that the Lao road sector needs investments of about US\$330 million per year from 2026–2030 and about US\$220 million annually from 2030–2035. Currently the road sector budget for maintenance of the network covers only about 20% of the maintenance needs, of which 80% is dedicated to national roads and only 20% is allocated to local roads. To address this shortfall, it is essential to both increase funding and improve efficiency of expenditure for example by adopting longer-term contracts like OPBRC/PBC.

Under the Southeast Asia Regional Economic Corridor and Connectivity Project (SEARECC), MPWT is in process of hiring a firm to work on the investment plan for the strategic highways, which will include the analysis of main transport routes and their financing mechanism.

To complement the study, this assignment shall focus on the specific challenges of the secondary roads network, including provincial, district and rural roads, referred hereafter to “local roads”.

It is essential to closely coordinate between this consultant and the SEARECC consultant to ensure coherence of the approach, analysis and proposed ways forward.

MPWT will thus contract a consultant to prepare a local road network financing strategy which will include (i) Road Sector Overview and Expenditure Needs, (ii) Review of current Road Sector Financing, (iii) Fiscal and Macro-economic context, (iv) exploring Financing Options and Reform Scenarios, (v) prepare the Road Sector Financing Strategy and Action Plan.

3. Scope of Work

Task 1: Road Sector Overview and Expenditure Needs

The World Bank has conducted in 2025 a Lao Road Sector Financing Review, including an assessment of the network condition, its maintenance backlog and the modelling of future backlog and maintenance needs which shall be the reference document for this Task.

The Consultant shall carefully update the document based on recent data and changes in the network management, specifically the “decentralization” and the introduction of OPBRC-PRTC contract.

- a) Review and update the classification, condition, and management arrangement of national and local road networks;
- b) Review, assess and updated as needed current and projected expenditure needs, including:
 - o Routine and periodic maintenance
 - o Rehabilitation and upgrading
 - o Climate resilience and disaster risk management
 - o Road safety-related investments;
- c) Summarize the current status of the local road networks under administration of the provinces with regards to the financing mechanism setup by MPWT and MOF, the procedures and financing flows, as well as reporting mechanism, considering also sections under external financing or private initiative, as well as sections intended by MPWT/DPWT for rehabilitation from own or external funds;
- d) Draw on the provincial and district Masterplans to determine the priority investments for the local connectivity. Considering the important local network, extrapolations can be used to model the whole network, based on available sample information and the Consultant's own assessment.
- e) Review the status and use of road asset management systems and maintenance planning practices, including the recent initiatives under LRSP-2, but also JICA and KfW projects.

The Outcome of Task 1 shall be presented as part of the inception report and provide an up-to-date picture of the current Road Sector arrangements for the management of the local networks, conditions, agreed financing and additional needs.

Besides, the Inception Report shall also include:

- Updated workplan of the Consultant;
- Any comments on the ToR and the scope of work resulting from the initial analysis;
- Recommendations for the implementation of the remaining tasks.

Task 2: Review of Current Sector Financing

In this Task, the Consultant shall draw on previous analyses of the Road Sector financing, but focus on the recent important changes in the sector since end of 2025, pertaining to the fuel levy and current standing of Road Fund, delegation to provincial authorities, implementation of OPBRC-PRTC contracts, as well as agreed investment projects.

- a) Review the Lao Road Sector Financing Review published by the World Bank in 2025;
- b) Review the LRSP-2 Study on Road maintenance financing from 2021;
- c) Review the annual reports on the Road Fund published between 2015 and 2025, and state/conclude on currently remaining earmarked revenues and road-related fees;
- d) Review MPWT budgets for the last 5 years, including central government budget contributions and external financing;
- e) Review the provincial and district level budgets and contributions;
- f) Review recent private initiatives and private sector participation on the local network, if any;
- g) Review the Axle Load Control Study conducted under WB financing LRSP2 regrading tariffs and enforcement principles;
- h) Analysis of the (i) current and expected future funding in the coming 5 years available for the local road network, the adequacy of the funding, predictability and risks for future funding, (ii) alignment of the establish funding with the network maintenance and development needs, (iii) consolidated funding gap (using outputs of Task 1), (iv) current institutional and legal arrangements in the sector pertaining to the funding for local roads;
- i) Set possible objectives of the Strategy (closing or reducing the gap), and their timelines required for implementation. This shall address specifically the local roads sub-sector, their respective financing aspects, as well as their future estimated maintenance and upgradation needs.

The Outcome of Task 2 is a thorough analysis of the current sources of funding for Lao local road financing, the legal and institutional setup and possible gaps, that will be required to support the future strategy to be developed.

Task 3: Fiscal and Macroeconomic Context

Looking beyond the challenges faced specifically by the local roads, this Task shall address more globally the fiscal and macroeconomic context of Lao PDR and its impact on road sector as a whole.

- a) Review the national fiscal framework and public debt constraints affecting the road sector. This includes reviewing the general macro-economic trends and reports published but IMF, World Bank and other international institutions and observers, as well as recent national budgets and mid-term plans (PIP);
- b) Review institutional arrangements and legal frame for revenue collection, fund allocation, and financial oversight; draw substantiated recommendations for required and desirable changes;
- c) Assess affordability and fiscal sustainability of previous, current, recently introduced and possible proposed road financing mechanisms;
- d) Examine consistency with public financial management (PFM) and medium-term expenditure frameworks.

The Outcome of Task 3 is the analysis of the current macro-economic situation of the Lao Government and its capacity to support road sector financing, with initial indications of the financing mix that will be required and the level of support the government is able to provide, to support the future strategy to be developed.

Task 4: Financing Options, Technical Options and Reform Scenarios

The Consultant shall study potential sources of revenue for local roads funding including related user charge funding (on mining trucks, agriculture businesses and other heavy trucks fee, axle load fees), and more general additional revenues (alcohol levy, tobacco excises, etc.) The consultant shall review international practices and relevant Lao legal framework. The consultant shall advise the MPWT on mechanisms for collecting the potential funds and private initiative approaches for road improvement and maintenance:

- a) Review international practices on potential sources of funding for road financing, specifically for local or low-volume roads;
- b) Legal analysis of possibilities of direct road user charging for different vehicle categories, and their practical implementation,
- c) Identify and assess potential financing options, appropriate for the current Lao macro-economic context, including:
 - o Reform and optimization of road user charges
 - o Analysis of extensive or exceptional road users, making out a large part of the heavy traffic on some roads. This may include large plantations, mining, construction, or other private businesses and interests;
 - o Dedicated maintenance funding mechanisms
 - o External financing options (loans, grants)
 - o Climate and resilience financing opportunities
 - o Selective approaches for private initiatives
- d) Evaluate options against criteria such as:
 - o Revenue potential and stability
 - o Fiscal and affordability impacts
 - o Equity and user impacts
 - o Institutional and administrative feasibility
 - o Legal and regulatory requirements
- e) Identify and assess potential contracting options, appropriate for the local context, including:
 - o Performance-based road maintenance contracts
 - o Involvement of village population for maintenance tasks
 - o Labor-based routine maintenance

The Outcome of Task 4 are initial recommendations on potential sources of funding for Lao road financing and legal and institutional changes that might be required to support the financing options proposed.

Task 5: Detailed Study of 3 sample cases

The Consultant shall review in detail the Financing Options, Budgets, Investment needs and plans in three districts of 3 provinces, representing North, Central and Southern Laos (for example: Houaphan, Savannaketh and Champasack provinces, final provinces to be decided with the Employer) and representing different environmental, economic and social conditions. The Consultant shall:

- a) Collect the data on the network, its condition and use, based on data available from PROMMS, GIS tools and based on discussions with the DPWTs /OPWTS in the respective provinces/districts;
- b) Review the provincial and district masterplans, to assess the planned investments;
- c) Review the current budgets from national, provincial and district sources;
- d) Review the investments / maintenance activities of the last 5 years.

Based on this data, the Consultant shall develop:

- a) The optimal budget needed to implement the Masterplan Priorities, as well as to ensure appropriate maintenance of the existing roads;
- b) Assess the financial gap;

- c) Advise on priorities, by using multi-criteria analysis and economic analysis tools, both on maintenance and investment;
- d) Develop a 5-year plan compatible with the budget constraints and resulting in optimized network condition;

Task 6: Preparation of Lao Local Roads Financing Strategy

The Consultant shall:

- a) Base analysis and works done under the previous tasks, the consultant will draft a financing strategy for the local roads network. The purpose of the strategy is to establish the suitable level of expenditure and performance levels for the different network categories, as well as propose additional revenue sources to close or reduce the current financing gap. This will include but not limited to:
 1. Strategic principles and policy objectives
 2. Estimate the future maintenance and investment needs for a time period of 20 years, for the Lao local Roads Network, distinguishing the different categories of the road network and considering the current condition and present backlog. Establish the optimal (unconstraint) budget that would lead to optimal network condition and minimizing the total cost (Road User Costs and Agency Costs) as presented in the outcome of Task 1;
 3. Listing possible funding options as already developed in the Lao road sector financing review, available from example of international best practice and developing the Consultants own proposals and research, and targeted at the local roads, where tolling options and increased local financing are likely to be not appropriate;
 4. Estimate the possible revenue streams over an analysis period of 20 years from the different funding sources and estimated revenues, and propose different levels and options for tariffs, levies and taxes;
 5. Calculate the investment and operation costs for the new revenue generation (specifically, overloading control);
 6. Develop financing mechanism for local roads maintenance, distinguishing the last-mile sections from the higher-category connecting links.
 7. For the different funding options, present a SWOT analysis in particular focussing on viability, required legal and/or institutional changes, and acceptability by Government of Lao PDR (GoL) and general public;
 8. Based on the revenue options developed under Task 4 and points 4-7 above, develop different budget scenarios with constraint resources, including the currently available budgets, demonstrating the effect on constraint resources on the Road User Costs and the future network conditions. Estimate the backlog created for each of the budget scenarios and the future required cost for recovery, as well as the estimated User Costs and Network conditions.
 9. Present at least three different scenarios, with a different combination of several funding sources, and different levels of revenues;
 10. From the analysis, draw recommendations on the viable and feasible options, the financing mix and sequencing to be presented in the Strategy;
 11. Prepare a high-level executive summary of the Strategy for presentation to Government decision makers;
 12. Develop the Action Plan including
 - a) short-medium-long term reform actions to be taken and the responsible actors, with indicative timeline,
 - b) Policy and legal changes recommended and required
 - c) Capacity-building and technical assistance needs, with specific focus on strengthening the maintenance management at the provincial level (DPWTs);
 13. Propose a monitoring and evaluation framework of the Strategy and Action plan, based on simple and measurable indicators.
- b) The consultant shall support MPWT in consultation and validation of the strategy including options of revenue collection with relevant stakeholders.

- c) Outcome of this Task is the final strategy for Lao local road sector financing and proposed mechanism for implementation (Action Plan). The final strategy shall be structured into the Strategy itself, the supporting documents as annexes or supporting volume, and include an executive summary for higher-level management and Government officials.

4. Deliverables & Timeline

The Consultant shall follow, to the extent possible, the work schedule proposed below:

Deliverable	Timeline
Task 1: Inception Report (including Tasks 1, document desk review, existing data study and appraisal, leading to initial recommendations)	Month 1
Task 2: Review of Current Road Sector Financing	Month 2
Task 3: Fiscal and Macroeconomic Context	Month 3
Task 4: Financing Options, Technical Options and Reform Scenarios	Month 4
Task 5: Detailed Study of 3 sample case	Month 5
Task 6: Draft Road financing strategy and Proposed action plan to implement the strategy	Month 6
Final Report summarizing all Consultants Activities, including Final Draft Contract Model and Final Road Sector Strategy	Month 7

This is a tentative work schedule and it is subject to negotiation before contract signature. However, the overall duration of the assignment must remain unchanged.

5. Duty Station

This will be a part-time assignment and the Consultant will work intermittently in Lao PDR and home-based. During visits to Lao PDR, the consultant will be based in Vientiane Capital, MPWT. In the course of entire assignment, the Consultant will cooperate with MPWT and in particular with the Department of Roads (DoR) and the Department of Finance (DPF).

6. Duration of the Assignment

This will be a lump-sum (output based) contract with part-time inputs, expected to start by February 2027. The Consultant is required to work in Vientiane for at least 50% of the finally agreed time input in person-days. The work plan shall be agreed during contract negotiations.

In case there is a need to travel to provinces for site visits and other purposes related to the assignment, local transportation costs (car) will be covered by the MPWT.

7. Reporting and Payment

Payments shall be made against completed and approved deliverables by the Client, as outlined below:

Deliverables	Payment (%)
Inception Report and Task 1: Road Sector Overview and Expenditure Needs	20%
Task 2: Review of Current Road Sector Financing	20%
Task 3: Fiscal and Macroeconomic Context	10%
Task 4: Financing Options, Technical Options and Reform Scenarios	10%
Task 5: Sample cases	20%
Taks 6 and Final Report including Final Strategy and Action Plan	20%
Total Payments	100%

8. Resources to be provided by Employer:

- Furnished office space in MPWT
- Full time Project Manager, under DoR, a single point of contact within the MPWT for all communications and requests, as well as a technical staff person designated by him/her for daily administrative or support needs;
- Necessary project documents;
- Assistance for visa, residence permits and other permits for the consultant, as required;
- Permission for the consultant to enter relevant offices and institutions, and, where needed, MPWT staff to cooperate with them;
- The Consultant will be allowed access to all data sources, project documents that are not-restricted and not containing proprietary and/or confidential information, reports, drawings and maps. For such access, the Consultant will sign a Confidentiality Agreement for all information to remain confidential during the time of the Consultancy and for five years after the completion of the Consultancy.

9. Resources to be provided by the Consultants

- The office equipment (computers, printers, internet, telephone, fax, photocopying equipment, binding machines, etc.);
- Accommodation as needed to fulfill the consultancy assignment;
- All other facilities and supplies required to carry out the services, including local support (translation and logistics)

10. Selection Criteria

In order to qualify for the assignment, the Consultant shall substantially meet the following experience and qualifications requirements:

- At least a Master's degree in transport economy, civil engineering, road/transport contract management, or related fields.

- A minimum of 15 years of working experience in Road Sector institutional reforms and Road Sector financing.
- Preparation / implementation / completion of at least 3 similar projects, including roads' long-term operation & maintenance (O&M) funding & implementation frameworks and/or strategies.
- A minimum of 6 years of experience working with development partners funding the road sector, including WB, ADB or other international institutions.
- Experience in Lao PDR or in other countries in South/ Southeast Asia region is an advantage.
- Familiarity with the GoL road improvement projects and GoL's administrative and other procedures is an advantage.
- Excellent speaking and writing English.
- Excellent communication skills.
- Ability to work independently.