ANNEX 22

OPTIONS FOR

THE 2ND STAGE PROJECT SCALE

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The scale of the 2nd Stage is rather large for international or Lao PDR's own funding even though economic and financial viability was confirmed. Therefore, in order to adapt the 2nd Stage Project to appropriate capital investment scale, efforts on water conservation and reduction of UFW are also indispensable by the NPVC. After completion of the 1st Stage Project, feasibility study will be required to implement the 2nd Stage. During the feasibility study for the 2nd Sage, scale of the 2nd Stage will be reviewed. In case that the maximum water demand is reduced by promotion of water conservation and reduction of UFW than estimated by the Study, implementation of the 2nd Stage will be able to be dived into two phases, 30,000 and 30,000 m3/day or to be reduced to 50,000 m3/day from 60,000 m3/day.

Figure 1-1 shows Two-Phase implementation of the 2nd Stage and Figure 1-2 shows the case that scale of the 2nd Stage is reduced from 60,000 m3/day to 50,000 m3/day by promotion of water conservation and UFW reduction. Such modification of scale of the 2nd Stage will reduce financial impacts to the NPVC. These options for the scale of the 2nd Stage should be reviewed during the feasibility study for the 2nd Stage.

Figure 1-1 Two Phase Implementation of the 2nd Stage Project

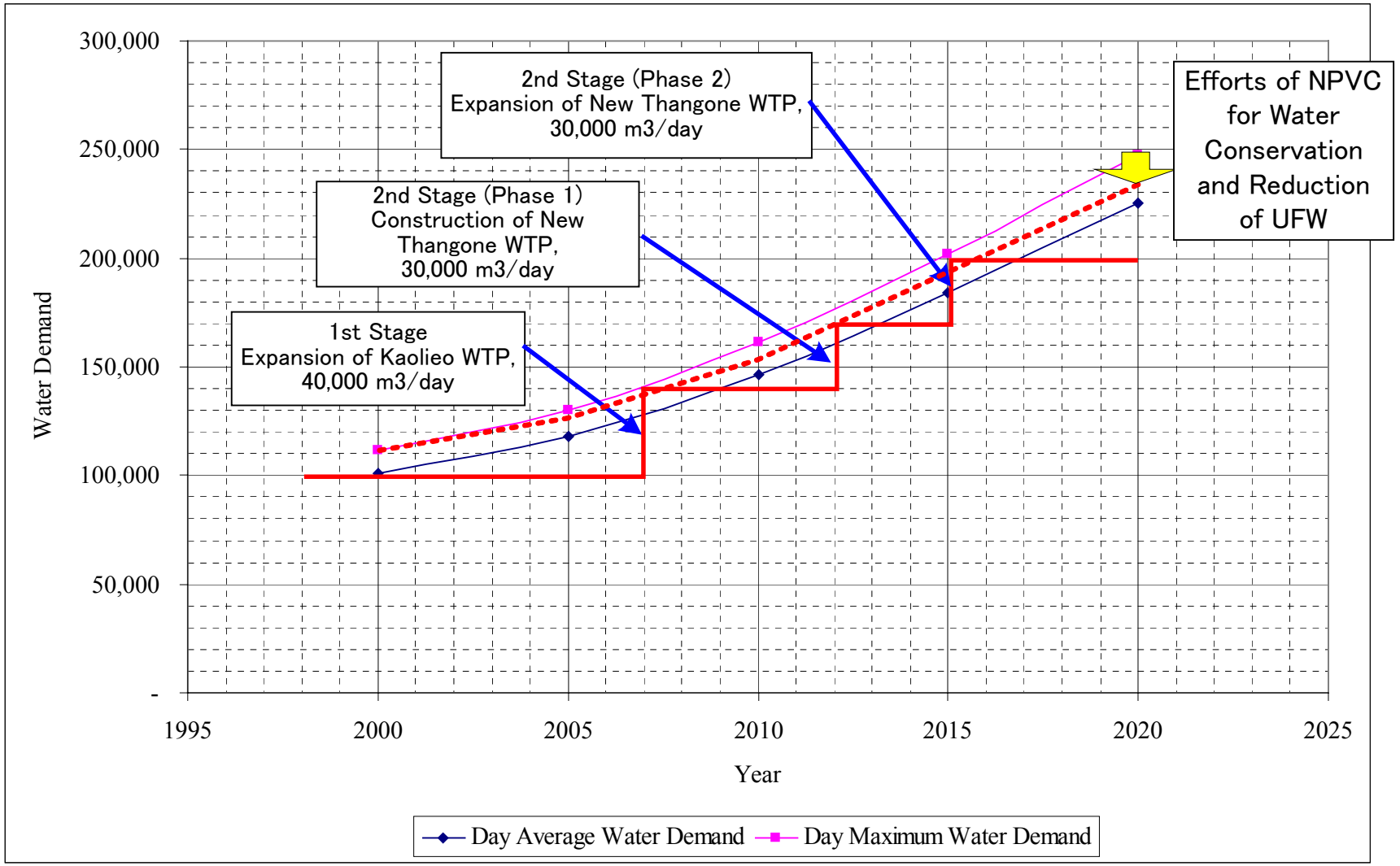

Figure 1-2 Reduction of the 2nd Stage Project Scale from 60,000 to 50,000 m3/day