

SBF Project Implementation Monitoring Report

Lao People's Democratic Republic: National Road 13 Improvement and Maintenance Project

1. Project Information

Project ID:	000066	Investment Number:	L0066A
Member:	Lao People's Democratic Republic	Region:	South-Eastern Asia
Sector:	Transport	Sub-sector:	Roads (non-urban)
Financing Type:	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
Borrower:	Lao People's Democratic Republic		
Implementing Agency:	Ministry of Public Works and Transport		
Project Team Leader:	Wenyu Gu		
Site Visits:	November 25-29, 2019		

2. Project Summary and Objectives

The project will support national strategy and socio-economic development of Lao PDR by enhancing its road connectivity of the most critical sections of the backbone road network of the country. Specifically, the project will widen the 19 km high traffic section close to Vientiane capital city (Sikeut to Songpeuay market) from the existing two-lane to a four-lane road; and an improvement/strengthening of a 39-km section of two-lane road (Songpeuay market to Phonhong) with Portland cement concrete pavement. The project will use an innovative contracting model, an Output- and Performance-based Road Contract (OPBRC).

3. Key Dates

Approved:	April 2019	Signed:	June 6, 2019
Effective:	July 31, 2019	Restructured (if any):	-
Orig. Closing:	May 31, 2023	Rev. Closing (if any):	-

4. Disbursement Summary (USD million)

a) Committed:	40	b) Cancelled (if any):	NA
c) Disbursed:	0	d) Most recent disbursement: (amount /date)	/
e) Undisbursed:	40	f) Disbursement Ratio (%) ¹ :	0

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The loan has become effective on July 31, 2019. Currently both the consulting firm and the contractor has been mobilized, with good progress achieved on site-survey and detailed design; The civil works are expected to start in February 2020.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1: Road Improvement, Maintenance and Operation (USD 120.5 million).	See below	See below	See below	A financial management system is in place, however specific aspects of the arrangements require strengthening. Such aspects include (i) finalizing procurement of external auditors; (ii) revisit the review and approval process of deliverables and payment to contractor, suppliers, and consultants; (iii) addressing the concern of long unliquidated advances to field officers; and (iv) updating the accounting software "AccPac" with all project transactions incurred to date.
Sub-component 1.1: Road Improvement, Maintenance and Operation (USD 100 million, in which USD 39.4 million financed by AIIB).	The contractor has been mobilized since October 28, 2019, with good progress achieved on site surveys and detailed design, setting up camp sites and preparation.	Site Specific Environmental and Social Management Plan (SSESMP) is completed.	The contract was signed on October 18, 2019.	
Sub-component 1.2: Land Acquisition (USD 20.5 million) NDF: USD 6 million GOL: USD 14.5 million	The compensation process in Vientiane Province has progressed well, with about 98 percent of the compensation paid to PAPs. The process in Vientiane Capital, which has a large part of PAPs, continue to face delays with about 63 percent of the PAPs having received the compensation amounts so far.	RAP implementation is at an advanced stage, although after the conclusion of the contract of RAP implementation consultants (supported by the Special Fund), the progress initially slowed down. Recently however, there has been some improvement in the overall RAP implementation and resolving the remaining cases.	N/A	
Component 2: Technical Assistance and Supervision (USD 4.8 million).				
Sub-component 2.1: Traffic Safety, Overloading Control and Safeguards Monitoring (WB: USD 0.7 million).	0	N/A	0	

Sub-component 2.2: Management and Supervision of the OPBRC Implementation (NDF: USD 3.0 million).	The supervision consultant has mobilized key experts needed for this stage including Team Leader, Social Safeguard Expert, Resident Engineer, Design Engineer, and E&S Specialist.	Safeguard monitoring will start once the construction activities commence. The Supervision Consultants will also assist PTRI in RAP implementation.	The contract was signed on August 30, 2019	
Sub-component 2.3: Preparation of Future Investments (USD 1.1 million). AIIB: USD 0.6 million NDF: USD 0.5 million	The client will prepare ToR for preparation of RAP and ESIA for the remaining 6 km. DoR will also prepare ToR for conceptual design of the road section. Both ToR will be submitted to the World Bank, AIIB and NDF for review by February 2020.	0	TOR for hiring a consulting firm is under preparation.	N/A
Component 3: Project Management (WB: USD 2.7 million).	N/A	N/A	N/A	N/A

6. Status of the Grievance Redress Mechanism (GRM)

The GRM has been in place since early 2019 but became operational in June 2019 when the project-affected households started receiving the compensation payments. Initially, the RAP implementation consultants (LCG), procured through the Bank's Special Fund, managed the GRM. However, after the conclusion of LCG's contract at end July 2019, the monitoring and reporting became irregular. However, since the last Mission in November 2019 when the issue was raised, the reporting has started to improve, due both to the greater involvement of Client (PTRI) and to the support from the Supervision Consultant. According to the latest update received from the Client, a total of 18 complaints – all relating to the resettlement compensation issues – are currently pending. The Client, with support from the Supervision Consultants is working to resolve these complaints and it is expected that by end January, the remaining complaints will also be addressed. Additional complaints may however be received once the construction activities are stated. The Bank has requested the Client to initiate holding regular VCs to discuss the GRM status in addition to other aspects of the project.

7. Results Monitoring

Project Objective Indicators		Unit	Baseline (2019)	2020		2021		2022		2023 (End Target)	
				Target	Actual	Target	Actual	Target	Actual	Target	Actual
Road condition	Reduction in vehicle operating costs on the project road	Percentage	0	0		0		20		20	
Road safety	Increase in average IRAP star rating of the project road	Number	1	1		1		3		3	
Climate resilience	Project road sections upgraded and improved, with climate resilient measures	Yes/No	No	No		Yes		Yes		Yes	
Intermediate Result Indicators											
Component 1: Road Improvement and Maintenance	Reduction in average International Roughness Index (IRI) for finished sections	Number	7	3		3		3		3	
	Kilometers of road upgraded from 2 to 4 lanes, with climate resilient measures	Km	0	5		10		19		19	
	Kilometers of road improved on 2 lanes, with climate resilient measures	Km	0	10		20		39		39	
	Roads constructed or rehabilitated	Km	0	15		30		58		58	
	Kilometers of roads transferred to performance-based O&M phase under OPBRC	Km	0	0		0		58		58	
Component 2: Technical Assistance and Supervision	Grievances registered related to delivery of the project addressed, with disaggregated data by gender	Percentage	0	90		90		90		90	
	Total number of MPWT staff received training on OPBRC and related topics	Number	0	10		25		40		40	

Remarks:

 N/A
