

SBF Project Implementation Monitoring Report

Lao PDR: National Road 13 Improvement and Maintenance Project

1. Project Information

Project ID:	000066	Investment Number:	L0066A
Member:	Lao People's Democratic Republic	Region:	Southeast Asia
Sector:	Transport	Sub-sector:	Roads (non-urban)
Financing Type:	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
E&S category:	A	Borrower:	Lao People's Democratic Republic
Red Flags Assigned:	0	Monitoring Regime:	Regular
Implementing Agency:	Ministry of Public Works and Transport		
Project Team Leader:	Wenyu GU, Senior Investment Operation Specialist-Transport		
Project Team Members:	Michaela Bergman, Principal Social Development Specialist Zhixi Zhu, Environment Specialist Mohammad Omar Khalid, Senior Safeguard Consultant Xiaowei Guo, Senior Procurement Specialist Shonell Robinson, Financial Management Specialist Haiyan Wang, Senior Finance Officer Julius Thaler, Senior Legal Counsel Tiana Chang, Project Assistant		
Completed Site Visits by AIIB:	November 2019		
Planned Site Visits by AIIB:	May 2020 (to be delayed, due to the pandemic)		

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

Approval:	April 2019	Signing:	June 6, 2019
Effective:	July 31, 2019	Restructured (if any):	N/A
Orig. Closing:	May 31, 2023	Rev. Closing (if any):	N/A

4. Disbursement Summary (USD million)

a) Committed:	40	b) Cancellation (if any):	N/A
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c) Disbursed:	2,742,475.10	d) Most recent disbursement: (amount /date)	2,742,475.10 / April 7, 2020
e) Undisbursed:	37,257,524.9	f) Disbursement Ratio (%) ¹ :	6.8%

5. Project Implementation Update

Both the consulting firm and the contractor has been mobilized, with good progress achieved on site-survey and detailed design; The civil works started in February. However, due to the COVID-19 outbreak, all site works had been suspended since March 29, 2020, to May 3, 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	The IFR for the period ended December 31, 2019, was submitted after the due date. However, the report was well prepared and reconciled to WB/AIIB records.
Sub-component 1.1: Road Improvement, Maintenance and Operation (USD 100 million, in which USD 39.4 million financed by AIIB).	0.01% of Lot 1 and 0.31% of Lot 2	Site Specific Environmental and Social Management Plan (SSESMP) has been prepared.	The contract was signed on October 18, 2019.	Financial Management capacity of DOF is now stretched, given the increase in the number of projects currently being managed. Therefore, a FM Consultant(s) will be hired. Considering the COVID-19 outbreak, this hiring process and the execution of the audit is likely to be delayed.
Sub-component 1.2: Land Acquisition (USD 20.5 million) NDF: USD 6 million GOL: USD 14.5 million	In March the compensation has reached 98% of the affected households, an increase of 9% compared to February. Vientiane province has settled payments for all AHs and pending only 38 cases that are waiting for the transfer approval by the Governor of Vientiane Capital. The outbreak of COVID 19 with 2 first cases and then 6 cases in Vientiane Capital since the second week of	Implementation of original RAP is about 98% complete; remaining cases under process. Additional resettlement impacts have been identified because of changes in the detailed design. PMU is engaging LCG to implement RAP for these additional impacts. Relocation of public utilities is in progress with electricity 91%, telecom 40%, CCTV 90% and water	N/A	Also, concerns remain about the lengthy payment process.

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., $f = c / (a - b)$

	March as well as the returning of more than one hundred thousand Lao migrant workers were the main reasons for the delay in the transfer approval.	supply about 90% complete. Only fiber optic relocation works have not been started.		
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	E&S safeguard monitoring has been initiated by the supervision consultants (ISWS). ISWS has been advised to include compliance and non-compliance information in the Monthly reports. Instrument monitoring has not been started yet. PMU has been advised to review the contracts of ISWS and contractor and determine the responsibility of this activity.	0	
Sub-component 2.2: Management and Supervision of the OPBRC Implementation (NDF: USD 3.0 million).	The Consultant Site office is functioning with six consultants have moved into on 10th March 2020. Team Leader and another four staffs are still working in the temporary office. Detail Design was reviewed. According to comments of the Consultant and submit the final version in hard copy on 19 March 2020 to PUM, together with the Detailed Design			The contract was signed on August 30, 2019

	Review Report of the Consultant. 10%			
Sub-component 2.3: Preparation of Future Investments (USD 1.1 million). AIIB: USD 0.6 million NDF: USD 0.5 million		PMU has prepared ToRs for ESIA and RP for the remaining 6-km stretch of NR-13N and provided to WB for further action.	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)

GRM is in place and currently PTRI is managing it since most of the complaints are related to compensation and associated issues. ISWS has initiated monitoring the segregated GRM data and as of now almost all of them are related to resettlement impacts and compensation payments. The construction related complaints still do not appear to be captured in this system. ISWS has been advised to establish the GRM for construction related issues in accordance with the provisions of ESMP.

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	Km	0	0		0		58		58	

	O&M phase under OPBRC									
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