

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 2019 (planned)		

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 the OPBRC/DBMOT contracts are expected to be awarded in October 2019. The detail design will be completed in three months after the contract awarding. Therefore, the civil work is likely to start in January 2020. The 1st Implementation Monitoring Mission will be carried out in November.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1: Road Improvement, Maintenance and Operation (USD 120.5 million).	0	RAP and ESIA are in place. ESIA includes an ESMP.	See below	N/A
Sub-component 1.1: Road Improvement, Maintenance and Operation (USD 100 million, in which USD 39.4 million financed by AIIB).	The construction has not started yet.	ESMP will be implemented once the construction team mobilizes and construction activities commence.	The contract will be awarded in October, 2019	N/A
Sub-component 1.2: Land Acquisition (USD 20.5 million) NDF: USD 6 million GOL: USD 14.5 million	About 92% PAPs have signed the compensation agreement, in which about 26% of PAPs has received the compensation. The Public utility relocation is also under progress.	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 has considerably slowed down.	N/A	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	N/A
Sub-component 2.2: Management and Supervision of the OPBRC Implementation (NDF: USD 3.0 million).	The commencement letter was issued by the client on September 5, 2019.	Safeguard monitoring will start once the construction activities commence. The Supervision Consultants once mobilized will assist	The contract was signed on September 30, 2019	N/A

		PTRI in RAP implementation.		
Sub-component 2.3: Preparation of Future Investments (USD 1.1 million). AIIB: USD 0.6 million NDF: USD 0.5 million	0	0	TOR for hiring a consulting firm is under preparation of WB, AIIB, and NDF	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 is in place and PTRI has received some complaints, mostly related to resettlement and compensation issues. However, since the closure of the contract of the Special funded RAP implementation consultants, reporting is inadequate and the IT system, which is supposed to track grievances also, is yet to be fully updated so that the same can provide the latest status on grievances received and grievances addressed. The situation should improve once the Supervision Consultants are on board and they commence safeguard activities including RAP implementation and associated tracking and reporting.

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:
