

SBF Project Implementation Monitoring Report

Lao People's Democratic Republic: Lao 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:	Urban transport
AIB Financing Type:	Loan: 40 USD million	Co-financier(s):	WB-led (IDA)
E&S category:	A	Borrower:	Lao People's Democratic Republic
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Ministry of Public Works and Transport		
Project Team Leader:	Wenyu Gu		
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 Mengmeng He, Finance Associate Liu Yang, Legal Counsel Chang Tian, Project Assistant		
Completed Site Visits by AIB:	Jun, 2019 Nov, 2019 Jun, 2020 Dec, 2020		
Planned Site Visits by AIB:	Jun, 2021 A joint virtual mission is planned during June 7-11, 2021		

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:	Apr. 1, 2019	Signing:	Jun. 6, 2019
Effective:	Jul. 31, 2019	Restructured (if any):	
Orig. Closing:	May. 31, 2023	Rev. Closing (if any):	

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	40	b) Cancellation (if any):	
c) Disbursed:	2.742	d) Most recent disbursement: (amount / date)	2.742, Apr. 7, 2020
e) Undisbursed:	37.258	f) Disbursement Ratio(%) ¹ :	6.9

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 Contract agreement for consultancy services for the National Road 13 North Project Implementation Support and Work Supervision (ISWS) signed by the employer on August 30, 2019. The Contractor's contractual commencement date was October 28, 2019.

About 17 months, 47.22% of the construction period, has so far been elapsed. The overall progress is behind the work progress compared to the planned, due to the impact of COVID-19 and lack of enough manpower and equipment. Details can be found in the table below.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Road Improvement, Maintenance and Operation (USD 120.5 million).	see below	see below	see below
Sub-component 1.1: Road Improvement, Maintenance and Operation (USD 100 million, in which USD 39.4 million financed by AIIB).	<p>LOT 1: Total length in 19.4 Km under OPBRC in Vientiane capital. Work on Lot 1 is being done in 5 segments, and the planned work progress up to February 2021 was to get 31.27%, but only 17.58% was achieved.</p> <p>LOT 2: Total length in 37.79 Km, 12.45 Km in Vientiane Capital and 25.34 Km in Vientiane Province. Work on Lot 2 is being done in 5 segments, and the planned work progress up to February 2021 was to get 44.14%, but only 38.31% was achieved.</p>	Compliance	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	As of the end March 2021 the number of the affected households is 2119 for the detailed design phase. About 90 % of the AHs during the detailed design phase have received compensation. Only 200 AHs or about 10% have not received compensation. The compensation is expected to be transferred in the first week of April. The number of the AHs that have not signed compensation agreement has decreased from 18 to 15.	<p>It was agreed that these issues will be settled by the PTRI case by case with each affected household and the provincial resettlement committee in accordance with the requirements of RAP.</p> <p>The relocation of utilities has been mostly completed including the relocation of electricity lines, water supply, telecommunication lines of Lao Telecom, other telecommunication cables (ETL and UNITEL) and CCTV in Vientiane Capital and Vientiane province. The remaining works include relocation of the fiber optic cable that will be relocated from the right of way after completion of the road improvement works to minimize the land acquisition. This activity has also been commenced and so far, the progress is about 30%.</p>	N/A
Component 2: Technical Assistance and Supervision (USD 4.8 million).	N/A	N/A	N/A
Sub-component 2.1: Traffic Safety, Overloading	N/A	N/A	N/A

Control and Safeguards Monitoring (WB: USD 0.7 million).			
Sub-component 2.2: Management and Supervision of the OPBRC Implementation (NDF: USD 3.0 million).	N/A	N/A	N/A
Sub-component 2.3: Preparation of Future Investments (USD 1.1 million). AIIB: USD 0.6 million NDF: USD 0.5 million	The Sikeut-Sikhai section (about 6 km) of the NR13 North connecting the ongoing road section to the starting point of Vientiane urban road at km 6 has been identified by MPWT as a priority road section for future investment. US\$600,000 of AIIB funds under sub-component 2.3, which is planned for reparation of the conceptual design and related technical studies for other selected sections of NR13, can be reallocated to the improvement of this 6 km through project restructuring. To use project savings for this 6 km, project restructuring is required. MPWT needs to coordinate with MOF on the request letter to the World Bank and AIIB.	REOI (including ToRs) for ESIA and RP for the remaining 6-km stretch of NR-13N has been updated based on AIIB's comments and subsequently published. RFP has now been issued to the short-listed firms and the last date for the submission of proposals is May 10, 2021.	N/A
Component 3: Project Management (WB: USD 2.7 million).	N/A	N/A	N/A

Financial Management:

The Interim Financial Report for the semester ended December 31, 2020, was submitted after the due date, February 14, 2021. The report was however deemed to be acceptable to the Bank as the report reconciles to the Bank's record.

6. Status of the Grievance Redress Mechanism (GRM)

GRM is in place and currently PTRI is managing it. ISWS has been monitoring the segregated GRM data and as of now, most of them are related to resettlement impacts and compensation payments while some are construction related complaints.

7. Results Monitoring

N/A

Baseline Year: Oct. 1, 2019 End Target Year: May. 31, 2023

Project Objective Indicators #1

Road condition: Reduction in vehicle operating costs on the project road

Year	Target	Actual	Others, if any
Dec. 31, 2020	0	0	
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	20	N/A	
Dec. 31, 2023	20	N/A	

Project Objective Indicators #2

Road safety: Increase in average IRAP star rating of the project road

Year	Target	Actual	Others, if any
Dec. 31, 2020	1	1	
Dec. 31, 2021	1	N/A	
Dec. 31, 2022	3	N/A	
Dec. 31, 2023	3	N/A	

Project Objective Indicators #3

Climate resilience: Project road sections upgraded and improved, with climate resilient measures

Year	Target	Actual	Others, if any
Dec. 1, 2020	NO	NO	
Dec. 31, 2021	YES	N/A	
Dec. 31, 2022	YES	N/A	
Dec. 31, 2023	YES	N/A	

Intermediate Result Indicators #1

Component 1: Road Improvement and Maintenance Reduction in average International Roughness Index (IRI) for finished sections

Year	Target	Actual	Others, if any
Dec. 31, 2020	3	0	
Dec. 31, 2021	3	N/A	
Dec. 31, 2022	3	N/A	
Dec. 31, 2023	3	N/A	

Intermediate Result Indicators #2

Component 1: Road Improvement and Maintenance Kilometers of road upgraded from 2 to 4 lanes, with climate resilient measures

Year	Target	Actual	Others, if any
Dec. 31, 2020	5	0	
Dec. 31, 2021	10	N/A	
Dec. 31, 2022	19	N/A	
Dec. 31, 2023	19	N/A	

Intermediate Result Indicators #3

Component 1: Road Improvement and Maintenance Kilometers of road improved on 2 lanes, with climate resilient measures

Year	Target	Actual	Others, if any
Dec. 31, 2020	10	0	
Dec. 31, 2021	20	N/A	
Dec. 31, 2022	39	N/A	
Dec. 31, 2023	39	N/A	

Intermediate Result Indicators #4

Component 1: Road Improvement and Maintenance Roads constructed or rehabilitated

Year	Target	Actual	Others, if any
Dec. 31, 2020	15	0	
Dec. 31, 2021	30	N/A	
Dec. 31, 2022	58	N/A	
Dec. 31, 2023	58	N/A	

Intermediate Result Indicators #5

Component 1: Road Improvement and Maintenance Kilometers of roads transferred to performance-based O&M phase under OPBRC

Year	Target	Actual	Others, if any
Dec. 31, 2020	0	0	
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	58	N/A	
Dec. 31, 2023	58	N/A	

Intermediate Result Indicators #6

Component 2: Technical Assistance and Supervision Grievances registered related to delivery of the project addressed, with disaggregated data by gender

Year	Target	Actual	Others, if any
Dec. 31, 2020	90	98	
Dec. 31, 2021	90	N/A	
Dec. 31, 2022	90	N/A	
Dec. 31, 2023	90	N/A	

Intermediate Result Indicators #7

Component 2: Technical Assistance and Supervision Total number of MPWT staff received training on OPBRC and related topics

Year	Target	Actual	Others, if any
Dec. 31, 2020	15	98	
Dec. 31, 2021	25	N/A	
Dec. 31, 2022	40	N/A	
Dec. 31, 2023	40	N/A	

Remarks: N/A