

## SBF Project Implementation Monitoring Report

### Lao PDR: Climate Resilience Improvement of National Road 13 South Project

#### 1. Project Information

Project ID:	000373	Investment Number:	L0373A
Member:	Lao PDR	Region:	South-Eastern asia
Sector:	Transport	Sub-sector:	
AIB Financing Type:	Loan: 30 USD million	Co-financier(s):	N/A
E&S category:	B	Borrower:	Ministry of Finance, Lao PDR
Red Flags Assigned:	0 (first submission)	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Ministry of Public Works and Transport (MPWT)		
Project Team Leader:	Wenyu Gu		
Project Team Members:	Anne Ong Lopez, Transport Specialist Chang Tian, Project Assistant Giacomo Ottolini, Senior Procurement Consultant Liu Yang, Counsel—Investment Operations Omar Khalid, Senior Safeguard Consultant Rabindra Shah, Procurement Specialist Shonell Robinson, Financial Management Specialist Susrutha Goonasekera, Senior Social Development Specialist Zhixi Zhu, Environmental Specialist		
Completed Site Visits by AIB:	Jun, 2020 Virtual Appraisal Mission completed during June 20 – July 3, 2020.		
Planned Site Visits by AIB:	Jan, 2022 virtual mission		

#### 2. Project Summary and Objectives

The Project comprises of the rehabilitation of a 78-km section of the existing two-lane NS13S highway from Km 190 to Km 268 and implemented through a 10-year Output and Performance-Based Road Contract (OPBRC) under the Design, Build, Maintain, Operate and Transfer (DBMOT) methodology. AIB will finance civil works for construction/rehabilitation portion of the OPBRC and the Government of Lao PDR will finance the O&M portion. The objective is to improve the road condition, safety, and climate resilience of the southern section of the National Road 13 (Section 3).

#### 3. Key Dates

Approval:	Oct. 15, 2020	Signing:	Feb. 10, 2021
Effective:	Sep. 10, 2021	Restructured (if any):	
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

#### 4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	30	b) Cancellation (if any):	
c) Disbursed:	0	d) Most recent disbursement: (amount / date)	0,
e) Undisbursed:	30	f) Disbursement Ratio(%) <sup>1</sup> :	0

<sup>1</sup> 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 become effective on September 10, 2021. The OPBRC contract was signed on August 27, 2021. The first disbursement of roughly USD2.5 million (initial advance payment) is expected in November 2021.

An overall implementation plan and a Project Delivery Strategy (PDS) with a clear procurement plan were prepared and updated by Project Management Unit (PMU) as important roadmap at the beginning of the project implementation.

The Monthly Progress Report has been submitted for September 2021, the project team will provide comments to improve the overall quality of the report.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Construction and rehabilitation of a 78 km section of the existing 2-lane NS13S highway from km 190 to km 268.	<p>The kickoff meeting between the PMU, the monitoring consultant and the contractor was held on September 8, 2021. To enhance the understanding of the contract and the risks/changes to be faced during the implementation, and share lessons learned from previous projects, AIIB conducted an OPBRC contract training from Sep 9 to 15, 2021.</p> <p>The contractor started preparing the detailed design.</p>	<p>RP has been updated and disclosed. ESMP has been updated and will be re-disclosed.</p> <p>MPWT has completed ninety percent (90%) of resettlement work, including making the compensation payment and Public Utility Relocation, in accordance with the Resettlement Plan.</p>	The OPBRC contract was signed on August 27, 2021.

#### Financial Management:

With the first disbursement expected to occur in Q4 2021. The first unaudited and audited reports will be submitted for the period ending on December 31, 2021.

The financing management system has been established by the Department of Finance of MPWT, following the same structure established for a separate project - National Road 13 improvement and Maintenance Project, jointly financed by AIIB and World Bank.

## 6. Status of the Grievance Redress Mechanism (GRM)

A multi-tier grievance redress mechanism (GRM) has been established at the village, district, province, and national levels for all four sections of NR13S. Currently the Public Works and Transport Research Institute (PTRI) is managing it. Grievance Redress Committees have been addressing compensation related grievances. So far, there have been six complaints as of April 2021 and all of them have been resolved. These complaints were about the verification and calculation of compensation amounts for affected assets.

## 7. Results Monitoring

Details can be found below.

Baseline Year: Sep. 10, 2021 End Target Year: Apr. 30, 2024

### Project Objective Indicators #1

Reduction in vehicle operating costs on the project road (%)

Year	Target	Actual	Others, if any
Apr. 30, 2022	0	N/A	
Apr. 30, 2023	0	N/A	
Apr. 30, 2024	100	N/A	

### Project Objective Indicators #2

Increase in average IRAP star rating of the project road (Number)

Year	Target	Actual	Others, if any
Apr. 30, 2022	1	N/A	
Apr. 30, 2023	1	N/A	
Apr. 30, 2024	3	N/A	

### Project Objective Indicators #3

Project road upgraded and improved with climate resilience measures (Yes/No)

Year	Target	Actual	Others, if any
Apr. 30, 2022	No	N/A	
Apr. 30, 2023	No	N/A	
Apr. 30, 2024	Yes	N/A	

Intermediate Result Indicators #1

Reduction in average International Roughness Index (IRI) for finished sections (Number)

Year	Target	Actual	Others, if any
Sep. 10, 2021	N/A	7	
Apr. 30, 2022	3	N/A	
Apr. 30, 2023	3	N/A	
Apr. 30, 2024	3	N/A	

Intermediate Result Indicators #2

Road constructed or rehabilitated (KM)

Year	Target	Actual	Others, if any
Apr. 30, 2022	25	N/A	
Apr. 30, 2023	50	N/A	
Apr. 30, 2024	78	N/A	

Intermediate Result Indicators #3

Kilometers of roads ready for the O&M phase under OPBRC/DBMOT modality

Year	Target	Actual	Others, if any
Apr. 30, 2024	78	N/A	

**Remarks:**