

**ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)**

(This report covers implementation period from July 1, 2021 to June 30, 2022 including recently closed projects covering the reporting period)

**ADB Official Project Title:** Vientiane Sustainable Urban Transport Project  
**ADB Project Number:** 45041-002

**I. GEF PROJECT SUMMARY**

**Project Ratings:**

Development Objective Rating (DO):

Satisfactory (S) – The project is expected to achieve most of its major global environmental objectives with more than 3 years delay.

Implementation Progress Rating (IP):

Moderately Satisfactory (MS) – Due to the lowered PIC’s performance and late onboarding of the urban transport advisor, overall progress was low. The Department of Transport (DOT) of the Ministry of Public Works and Transport and the government consider the project completion by the end of 2024 feasible but with a very tight schedule. A further delay would require another extension of the project completion date beyond the end of 2024.

Risk Rating:

Modest Risk (M) – The assumption is to complete the project by end-2024. Among the causes of delay in project implementation is low project implementation consultant (PIC’s) performance caused by the partial demobilization of international experts because of the coronavirus disease (COVID-19) pandemic. However, in the second quarter of 2022, Lao PDR's daily counts of COVID cases had been decreasing. COVID-19 pandemic is no longer causing project implementation delay as return of fully vaccinated international consultants to Lao PDR is permitted without any restriction.

Due to the persistent payment issue between the PIC’s JV partner and subconsultants, the progress with the detailed engineering design (DED) and the preparation of bidding documents of four civil works contracts remains hampered. This payment issue is the current main factor of the ongoing project implementation delay, and DOT has been following up with the JV lead firm on the payments.

**Information on Progress, challenges and outcomes on project implementation activities**

The project implementation has been delayed by more than three years over the original schedule. To align with the latest project implementation schedule, the closing dates of OPEC Fund for International Development (OFID) loan and ADB loan/GEF grant were extended to 30 April 2025 and 31 December 2024, respectively. Most likely, another approval to extend the OFID and ADB loans, and GEF grant will be sought due to further delays encountered by the project.

The COVID-19 pandemic is no longer causing delay to the Project. Return of fully vaccinated persons to Lao PDR is permitted without any restriction. The project coordination unit (PCU) of the DOT will update

the manning schedule required for PIC remaining task and confirm in quarterly rolling plans the mobilization of experts both at home offices and in Lao PDR.

Physical progress as of 30 June 2022 stands at 38.25%.<sup>1</sup> Completion of the project is expected by end-2024.

Bus rapid transit (BRT) is expected to be established and fully operated by Q4 2024, following BRT DED approval in Q3 2022, procurement of bus and equipment supply is expected from Q3 2022 to Q1 2023, procurement of civil works for bus lanes, stations, and depots is expected from Q3 2022 to Q1 2023, and engagement of a service contractor for BRT operation in Q2 2024. Due to the lowered PIC's performance, the DOT needs to accelerate the design and procurement activities.

The DOT plans to complete traffic management improvement through civil works implementation in Q1 2024. The DOT plans to gradually roll out on-street paid parking scheme from Q4 2022, following the adoption of new parking regulations by Vientiane Capital Administration (VCA) in August 2022 and procurement of a parking management contractor from Q3 2022. The DOT plans to select an operator for non-motorized transport (NMT, i.e., electric rickshaw) in Q4 2022 and procure pedicabs (EQ3) in Q1 2023 to launch an electric rickshaw program after Q3 2023.

### **Information on Progress, challenges and outcomes on Environment and Social Safeguards**

The initial environmental examination and resettlement plan have been updated according to the latest DED. An updated initial environmental examination was accepted by ADB and disclosed on ADB website in October 2021.

Very minimal land acquisition is expected (i.e., 17 properties) and most of the impacts are related to temporary disturbance during the construction period (i.e., 120 affected households, and 342 roadside houses, shops, and businesses). The DOT plans to submit updated resettlement plans (URPs) to ADB for review in Q3 2022.

### **Information on Progress, challenges and outcomes on stakeholder engagement**

Due to the COVID-19 impact on the PIC, survey related field work requiring consultation with affected peoples was delayed and target submission dates for URPs were deferred from June 2021 to Q3 2022.

### **Information on Progress on gender-responsive measures**

Gender action plan (GAP) implementation is ongoing. The project GAP consists of 28 activities and 11 targets. Nine (32%) activities were achieved and on-track. Other nineteen activities which are related with the implementation of project activities are not yet due.

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<sup>1</sup> The physical progress is defined as the progress the project makes with respect to time resource in each activity to capture the progress of the preparatory activities for civil works and system installment.

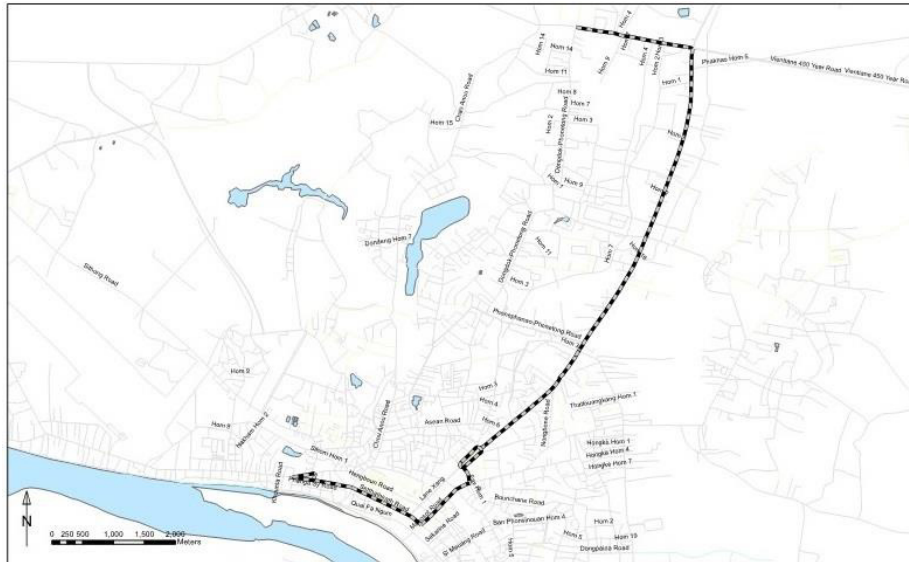
**Knowledge activities/ Products**

The project intended to share knowledge through a regional TA project entitled “Promoting Socially Sustainable Transport through Improving Non-motorized Transport” and programs (ADB Sustainable Transport Initiative, ASTUD, GIZ, ITDP, etc.) as an efficient way of packaging and sharing the experience and lessons arising from the project. (Please see the actual knowledge activities during project implementation in Section G of Chapter III Project Implementation.)

**GEO LOCATION INFORMATION**

Location Name	Latitude (WGS84 Format)	Longitude (WGS84 Format)	GEO Name ID	Location Description	Activity Description
Vientiane, Laos	N 17° 58' 0"	E 102° 36' 0"	Vientiane	BRT corridor	Establishing a BRT corridor

**Project map and coordinates**



Proposed BRT corridor (Source: MPWT. 2020. Final Design and Cost Estimates (Draft))

**PROJECT MINOR CHANGE IN SCOPE/MINOR AMMENDMENTS**

- Results framework
- Components and cost
- Institutional and implementation arrangements
- Financial management
- Implementation schedule
- Executing Entity
- Executing Entity Category
- Minor project objective change
- Safeguards
- Risk analysis
- Increase of GEF project financing up to 5%
- Co-financing
- Location of project activity
- Other

- **Extension of Loan Closing Date.** Upon the request of the government, Loan 3250 and Grant 0471 closing dates have been extended by 24 months from 31 December 2022 to 31 December 2024, while Loan 8303 closing date has been extended by 34 months from 30 June 2022 to 30 April 2025.
- **Change in Consultant Selection Method.** Through a letter dated 30 November 2021, DOT submitted a request to ADB to change the recruitment method for C4 (Quality Control Company) from a firm to individual consultants. Considering the small intermittent inputs from C4 due to the limited budget, and the needs for PCU's and the Urban Transport Management Section's direct management of C4, the PCU decided to recruit three individual consultants (i) an international Urban Transport Operation Expert, (ii) a national Marketing Expert, and (iii) an international Urban Transport Planner, instead of recruiting an experienced firm.

**FOR SCCF/LDCF INDICATORS: (Provide information if applicable)**

Total Number of Beneficiaries	
Ha of land better managed to withstand the effects of climate change	
No. of risk and vulnerability assessments, and other relevant scientific and technical assessments carried out and updated	
No. of people trained to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	
No. of regional, national and sub-national institutions with strengthened capacities to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	
Contribute towards public awareness of climate change impacts, vulnerability and adaption (Tick if relevant)	
Expand access to improved climate information services (Tick if relevant)	
Expand access to improved climate related early-warning information (Tick if relevant)	
No. of regional, national and sector-wide policies, plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	
No. of sub-national plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	

**II. Project Profile**

1. General Information	1	GEF ID	9146
	2	Focal Area(s)	Climate Change
	3	Region	Southeast Asia
	4	Country	Lao People's Democratic Republic
	5	GEF Project Title	Vientiane Sustainable Urban Transport Project
	6	Project Size (FSP; MSP)	MSP
	7	Trust Fund (GEFTF; SCCF; LDCF)	GEFTF
2. Milestone Dates	8	GEF CEO Endorsement Date (mm/dd/yy)	12/08/15
	9	ADB Approval Date if the GEF Fund (mm/dd/yy)	03/10/15
	10	GEF Grant Signing of the GEF Fund (mm/dd/yy)	03/03/16
	11	Implementation Start Date of the Project and of the GEF Component (mm/dd/yy)	04/30/21
	12	Date of 1st GEF Grant Disbursement (mm/dd/yy) (Definition: First disbursement date is the date when GEF funds are actually disbursed to the executing agency in the country or when funds are disbursed directly to the suppliers of goods for the project; could include initial date of cash advance to Imprest accounts)	(please provide expected disbursement date if no disbursements were made)
	13	Final date of GEF Grant Disbursement (mm/dd/yy)	12/31/22
	14	Proposed/Revised Implementation End (mm/dd/yy)	12/31/22
	15	Actual Implementation End (mm/dd/yy)	-
	16	Expected Financial Closure Date (mm/dd/yy)	04/30/23
17	Actual Financial Closure Date (mm/dd/yy)	-	
3. Funding	18	PPG/PDF Funding (USD)	-
	19	GEF Grant (USD)	\$1.84 million
	20	Total GEF Fund Disbursement as of 30 June 2021(USD)	\$0 million
	21	Confirmed Co-Finance at CEO Endorsement (USD)	-
	21	Materialized Co-Finance at project mid-term (USD)	\$0.73 million under Loan 3250-LAO
22	Materialized Co-Finance at project completion (USD)		
4. Evaluations	23	Proposed Mid-term date (mm/dd/yy)	-
	24	Actual Mid-Term date - if applicable (mm/dd/yy)	11/04/19 – 11/08/19
	25	Proposed Terminal Evaluation date (mm/dd/yy)	10/31/22
	26	Actual Terminal Evaluation Date (mm/dd/yy)	-
	27	Tracking Tools Required (Yes/No/ Focal Area TT)	No
	28	Tracking Tools Date - if applicable (mm/dd/yy) Midterm Tracking Tool Terminal Evaluation Tracking Tool	-

### III. Project Implementation

#### A. Project Description:

**Project Scope.** The Project will (i) establish a sustainable urban transport management agency for Vientiane established (Output 1); (ii) establish and operate high-quality bus services and bus rapid transit in Vientiane (Output 2); (iii) improve traffic management in the core area of Vientiane (Output 3); (iv) establish paid parking system and national vehicle registration system (Output 4); and (v) improve accessibility for pedestrians and other nonmotorized transport in the core area of Vientiane (Output 5).

**Financing Plan.** The project is financed through a Special Drawing Rights 23.474 million (\$35 million equivalent) ADB concessional loan (L3250), a \$20 million credit from the European Investment Bank (EIB); a 5 million Euro (\$6.9 million equivalent) grant from the European Union's Asia Investment Facility (EU-AIF); a \$15 million loan from OPEC Fund for International Development (OFID; L8303); a \$1.84 million grant from the Global Environment Facility (GEF; G0471); and \$6.4 million from the private sector. The government contribution is \$14.55 million. The total project cost is \$99.70 million. ADB has been administrating L8303 and G0471.

**Financing Agreements.** The ADB loan was signed on 12 March 2015, and the original loan closing date was 31 December 2020. The loan agreement for the OFID loan was signed on 9 October 2015 and the loan was declared effective on 4 February 2016. The original loan closing date was 31 January 2020. The grant agreement for the GEF grant was signed on 3 March 2016, and the original grant closing date was 31 December 2020. In 2020, the closing dates of ADB loan/GEF grant and OFID loan were extended to 31 December 2022 and 30 June 2022, respectively. The EU grant and EIB loan were approved in October 2014. The EIB loan agreement was signed on 30 November 2015, and its original availability date was extended from 30 November 2020 to 31 December 2022. The EU-AIF grant agreement was signed on 21 June 2016, and services financed must be completed by 28 June 2022. The ADB loan and GEF grant were declared effective on 29 August 2016, due to the cross-effectiveness condition, which required that the cofinancing loans and grants must have met their own effectiveness conditions before the ADB loan can be declared effective.

**Implementation Arrangements.** The Ministry of Public Works and Transport (MPWT) is the executing agency (EA). The Project Steering Committee (PSC) provides overall guidance on implementation of the Project. The PSC is chaired by the Vice Minister of MPWT, with the Vice Mayor of Vientiane Capital serving as Vice Chairman. The PSC reports to a high-level committee to address traffic congestion in Vientiane, which is chaired by the Mayor of Vientiane Capital, and the Vice Chairman is the Minister of MPWT. The implementing agency (IA) is the Project Coordination Unit (PCU) integrated into DOT of MPWT, comprising staff from DOT and the Department of Public Works and Transport (DPWT) of Vientiane Capital, to oversee project implementation and execute day-to-day operations.

#### B. Implementation Progress (IP) Rating:

**Implementation Progress.** The project implementation has been delayed by more than three years over the original schedule due to: (i) the delay of the ADB loan and GEF grant effectiveness declared effective on 29 August 2016, about 1.5 years after ADB loan agreement signing, due to the cross-effectiveness condition, which required the effectiveness of the cofinancing loans and grants; (ii) the

delay of the mobilization of Project Implementation Consultant (PIC) under the EIB and EU-AIF finance in July 2018, about 2 years after ADB loan effectiveness; (iii) PIC's past performance; and (iv) lowered PIC's performance caused by the partial demobilization of international experts because of the pandemic of the coronavirus disease (COVID-19) and the government's delayed payments to the PIC. As of 30 June 2022, the project physical progress was 38.25% against an elapsed time of 69.3% and 70.0% since OFID loan effectiveness and ADB loan/GEF grant effectiveness, based on the current project implementation period until 30 April 2025 and 31 December 2024, respectively.

To adjust the implementation period due to the delays, on 19 May 2020, ADB approved the first extension of Loan 3250 and Grant 0471 closing dates by 24 months, from 31 December 2020 to 31 December 2022. On 10 September 2020, ADB approved the first extension of Loan 8303 closing date by 29 months, from 31 January 2020 to 30 June 2022 to reflect the fact that the OPEC Fund approved the extension on 13 November 2019. Furthermore, on 6 January 2022, ADB approved the second extension of Loan 3250 and Grant 0471 closing dates by 24 months, from 31 December 2022 to 31 December 2024, and Loan 8303 closing date by 34 months, from 30 June 2022 to 30 April 2025. Approval of the extension of the EIB loan to from 31 December 2022 to 31 December 2024 was given by EIB and confirmation by MOF is expected by Q3 2022.

**Impact of COVID-19.** Due to the pandemic of COVID-19 and actions taken by governments worldwide, all international consultants of the PIC and Transaction Technical Assistance (TRTA)<sup>2</sup> returned home. Work in Lao PDR was conducted from home since April 2020 by both government officers and project staff. The project and government offices were again operational from 4 May 2020 with some limitations. Work was conducted from home office in respective home country by PIC and TRTA international experts where possible, but tasks like presentation of detailed engineering design (DED) of packages CW1A-E,<sup>3</sup> finalization of BRT operations agreement and training for the Urban Transport Management Section (UTMS) required presence of the international experts in Lao PDR.<sup>4</sup> The PCU tried to mitigate the difficulties through video conference meetings and use of national experts.

The COVID-19 pandemic is no longer causing delay to the Project. Return of fully vaccinated persons to Lao PDR is permitted without any restrictions. After the confirmation of the extension of the PIC contract to end 2024, PCU will update the manning schedule required for remaining task and confirm in quarterly rolling plans the mobilization of experts both at home offices and in Lao PDR.

#### a. GEF Grant Disbursement

There is no disbursement from GEF grant, which will finance CW-1D (non-motorized transport and pedestrianization) and EQ3 (e-pedicabs). The delay has been caused by (i) the delay of the ADB loan and GEF grant effectiveness declared effective on 29 August 2016, about 1.5 years after ADB loan agreement signing, due to the cross-effectiveness condition, which required the effectiveness of the cofinancing loans and grants; (ii) the delay of the mobilization of PIC under EIB and EU-AIF finance in

<sup>2</sup> ADB. 2018. *Technical Assistance to the Lao People's Democratic Republic for Capacity Building for Vientiane Sustainable Urban Transport Project (TA 9499)*. Manila.

<sup>3</sup> To align with the nature of the civil works and demonstrate project progress, the PCU plans to split CW1 package into five packages.

<sup>4</sup> UTMS will be established under the Department of Transport of the Ministry of Public Works and Transport to manage the operation of BRT, parking, and pedicab.



July 2018, about 2 years after ADB loan effectiveness; (iii) PIC's poor past performance; and (iv) prolonged DED finalization process due to lowered PIC's performance caused by the partial demobilization of international experts because of the coronavirus disease (COVID-19) pandemic and the government's delayed payments to the PIC.

#### **b. Stakeholders Engagement**

Due to the COVID-19 impact on the PIC, the necessary consultation for land acquisition and resettlement has been suspended and will be conducted once COVID-19 restrictions are relaxed.

As most of the stakeholder consultations occurred between 2013–2014, except for the focus group discussions involving vulnerable groups (elderly, women, and people with disability, youth, and children) in March 2020, significant changes in the project design occurred since the 2013–2014 consultation emphasizing the need to conduct fresh round of consultations. With the COVID-19 pandemic restrictions in organizing crowds typically needed in consultations, it was agreed to the extent possible coordinate with the social and resettlement team for joint consultations.

#### **c. Gender Action Plan Implementation Status**

The Project is categorized as Effective Gender Mainstreaming (EGM). Gender action plan (GAP) implementation is ongoing. The project GAP consists of 28 activities and 11 targets. Nine (32%) out of 28 activities were achieved and on-track and 19 activities were not yet due. Five (45%) out of 11 targets were on-track and 6 were not yet due. Most activities and targets are not yet due as those activities and targets are waiting for implementing project activities. The progress of GAP implementation has been regularly updated and attached in the project quarterly progress reports submitted to ADB. Sex-disaggregated data have been collected for the project performance monitoring and evaluation system.

#### **d. Social and Environmental Safeguard Plan Implementation Status**

**Environmental safeguard.** The Project is category B for environment under ADB Safeguard Policy Statement (SPS, 2009). The Initial Environmental Examination (IEE) and Environmental Management Plan (EMP) based on concept design were prepared and disclosed in August 2014. Physical construction works have not started, and the Project does not have any outstanding issues.

While majority of the technical concerns have been addressed by the PIC with the submission of 5th version of the IEE report, minor data gaps remained unattended as the national consultant's movements were restricted due to the COVID-19 pandemic. These gaps include historical and projected climate change, land uses along the BRT corridors, and inventory of sensitive receptor at least near the bus depot and terminals particularly physical cultural resources, number and locations of affected trees. The national consultants exerted further efforts to fill these gaps and addressed all these in the 6<sup>th</sup> version of the IEE report which was approved and publicly disclosed in October 2021 by ADB.

**Social safeguard.** This Project is category B for Involuntary Resettlement and category C for Indigenous Peoples. Based on the initial data collected for the Project, it will not have to be recategorized. Per available information (latest engineering designs, a cadastral survey and visual

inspections), only very minimal land acquisition is expected (17 properties) and most of the impacts will pertain to temporary disturbance during the construction period (342 roadside houses, shops and businesses). The PIC also confirmed that there will be no voluntary land donation under this additional scope and that this will be mentioned in the RPs. The PIC estimates about \$0.480 million for associated resettlement costs, including compensation for affected people and mobile vendors along BRT corridor, but excluding costs for the depots. The DOT plans to submit updated resettlement plans to ADB for review in Q3 2022.

The five packages of civil works will generate three DED based URPs corresponding to the phasing of design and contract execution: (i) for CW-1A (Corridor from Fa Ngum to Patuxai) and CW-1B (Corridor from Patuxai to NUOL), (ii) for CW-1C (Depots), and (iii) for CW-1D (non-motorized transport and pedestrianization). Safeguards screening was undertaken for contracts CW-1C (Depots) and CW-1E (traffic signaling) and no resettlement impacts are anticipated. A report on this will be included in the URPs. The DED based URPs will update the 2014 resettlement plan (RP) to reflect PIC identified potential impacts on people and business owners.

#### **C. Global Environmental Benefits (GEB) Objective/ Development Objective (DO) Rating:**

The development objective rating is Moderately Satisfactory (MS) because the project's performance targets and indicators in the project DMF related to GEB have been deferred from 2025 to 2027 as shown below:

Impact level: by 2027 [2025]

- Increase in modal share of public transport to 6.0 % (2013 baseline: 0.6%) – not yet due
- Reduction in emissions of greenhouse gases (carbon dioxide, methane, nitrous oxide, and certain halocarbons) of 25,000 metric tons per year from 2022 [2020] onwards – not yet due

Note: [ ] - original target year.

#### **D. Risk Rating:**

The risk rating is Modest Risk (M) as there is a risk of further implementation delay caused by the implementation inefficiency due to COVID-19. ADB will closely monitor the progress through periodical meetings/missions.

#### **E. Overall Rating of the Project: Moderately Satisfactory (MS)**

#### **F. Additional Comments – Good Practices And Lessons Learned:**

During project processing, it is necessary to confirm co-financiers' activities and schedule and assess potential risks in the activities. This process allows the government and ADB to optimize implementation schedule while considering delay risks.

The 1.5-year start-up delay was caused by the cross-effectiveness condition, which required the effectiveness of the co-financing loans and grants. In addition, the 2-year gap between ADB loan effectiveness and the mobilization of PIC financed by EIB and EU-AIF affects the project progress.

There are significant delay risks under co-financing project elements due to dependencies among activities financed by different co-financiers.

#### **G. Knowledge activities / products:**

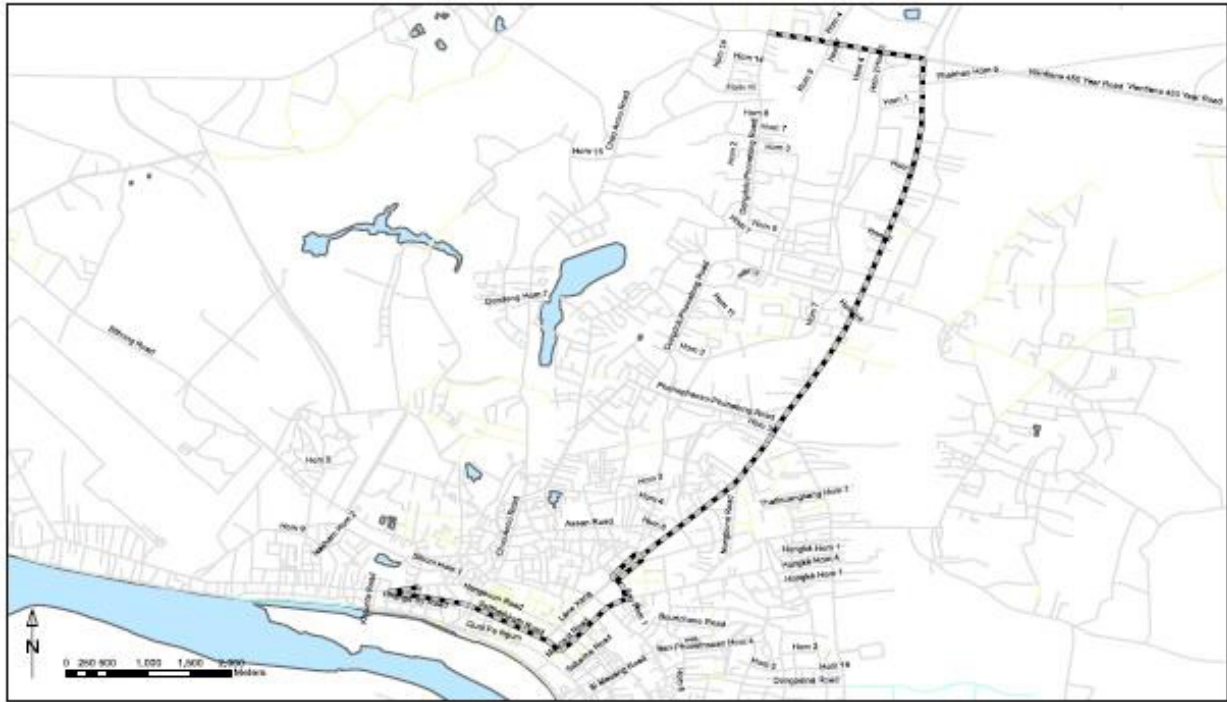
1) To develop PCU's capacity, TRTA was provided to the DOT and has developed learning materials for decision makers regarding the up-to-date technologies/ideas of (i) traffic management system, (ii) BRT, (iii) urban parking system, (iv) electronic vehicle registration system, (v) non-motorized vehicles, (vi) PPP scheme, (vii) gender mainstreaming, and (viii) communication measures in urban transport (footnote 2). The documents are owned by PCU in the form of digital data.

2) In September 2022, the TRTA will provide the UTMS staff with knowledge sharing program, including: (i) urban traffic management, (ii) BRT operation, (iii) parking management, (iv) communication, and (v) urban transport institution. The knowledge sharing program implementation has been postponed due to COVID-19 and the delay of the establishment of UTMS. As such, the TA's closing date was extended until 30 September 2022 to allow TRTA consultant to deliver the pending program.

#### **H. Location Data:**

The project will take place in Vientiane. See the figure below. Bus lanes are reserved (exclusive) for the buses serving to the BRT system in the core area and North corridor. The only exceptions in Central Corridor are:

- The street between Nongbone and Lane Xang in Patuxay, over which the buses will drive mixed with the general traffic.
- Intersections, including Patuxay Area, before they join to drive into Ave. Kaysone Phomvihane Lanes width designed is 3.50m, decreasing to 3.25m in most of the stations, due to the usual problems of space in transversal cross section. In curves, an additional width has been foreseen, to consider the necessities of turning for the buses of 12 m length.



Complete Bus Priority Corridor. Source: Component 2

(Source: MPWT. 2020. Final Design and Cost Estimates (Draft))

Signature:

Name of Project Officer:

Daisuke Mizusawa

Position:

Senior Transport Specialist, SETC

Date:

17 August 2021

Endorsed by:

Tsuneyuki Sakai

Unit Head, Project Administration, SETC

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**ANNEX B. Project Contacts**

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## ANNEX C: DEFINITION OF RATINGS

### Implementation Progress Ratings

**Highly Satisfactory (HS):** Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.

**Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that is subject to remedial action.

**Moderately Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.

**Moderately Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.

**Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.

**Highly Unsatisfactory (HU):** Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

### Global Environment Objective/Development Objective Ratings

**Highly Satisfactory (HS):** Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.

**Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.

**Moderately Satisfactory (MS):** Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.

**Moderately Unsatisfactory (MU):** Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.

**Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.

**Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

### Risk Rating

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

**High Risk (H):** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

**Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.

**Modest Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.

**Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.