

ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)

I. Project Profile

ADB Official Project Title: Vientiane Sustainable Urban Transport Project

ADB Project Number: 45041-002

1. General Information	1	GEF ID (PMIS ID)	9146
	2	Focal Area(s)	Climate Change
	3	Region	EAP
	4	Country	Lao People's Democratic Republic
	5	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)	01/12/16
	9	ADB Approval Date (mm/dd/yy)	03/10/15
	10	GEF Grant Signing (mm/dd/yy)	03/03/16
	11	Project Implementation Start Date (mm/dd/yy)	08/29/16
	12	Date of 1st GEF Grant Disbursement (mm/dd/yy) <i>(Definition: Please include initial date of cash advance to Imprest accounts on GEF Funds)</i>	No disbursement yet
	13	Proposed/Revised Implementation End (mm/dd/yy)	12/31/20
3. Funding	14	Actual Implementation End (mm/dd/yy)	TBD
	15	PPG/PDF Funding (USD)	0.00
	16	GEF Grant (USD)	1,840,000.00
	17	Total GEF Disbursement as of 30 June 2017 (USD)	0.00
	18	Confirmed Co-Finance at CEO Endorsement (USD)	91,450,000.00
	19	Materialized Co-Finance at project mid-term (USD)	Not applicable yet
4. Evaluations	20	Materialized Co-Finance at project completion (USD)	Not applicable yet
	21	Proposed Mid-term date – if applicable (mm/dd/yy)	2019. Exact timing TBD.
	22	Actual Mid-Term date - if applicable (mm/dd/yy)	Not applicable yet
	23	Proposed Terminal Evaluation date – if applicable (mm/dd/yy)	Not applicable yet
	24	Actual Terminal Evaluation Date - if applicable (mm/dd/yy)	Not applicable yet
	25	Tracking Tools Required (Yes/No/ Focal Area TT)	Not applicable yet
5. Ratings	26	Tracking Tools Date - if applicable (mm/dd/yy) Midterm Tracking Tool Terminal Evaluation Tracking Tool	Not applicable yet
	27	Overall Implementation Progress Rating (IP)	MS
	28	Overall Development Objectives Rating (DO)	MS
	29	Overall Risk Rating	MR
	30	Overall Project Rating	MS



6. Status	31	Status (GEF grant for ADB board approval/ GEF grant on-going)	GEF grant on-going
	32	Implementation Status (1 st , 2 nd , 3 rd PIR..., Final PIR)	2 st PIR
7. Files	33	PIR File Name	GEFID9146_2018_PIR_ADB_LaoPDR_VSUT

II. Project Contacts

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Project Implementing Partner	Project Coordination Unit (PCU)
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Other Partners	
Name of Agency	
Department	
Contact Person/Officer:	
Email	
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III. Project Implementation

A. Project Description:

The Vientiane Sustainable Urban Transport Project (VSUTP) will deliver a package of mobility components that will help transform Vientiane's public transport system. With an estimated investment of around \$99 million, the project will deliver the following outputs:

- (i) A sustainable urban transport management agency for Vientiane established;
- (ii) High-quality bus services and bus rapid transit (BRT) operating in Vientiane;
- (iii) Improved management of traffic in the core area of Vientiane;
- (iv) Paid parking system for the core area of Vientiane and national vehicle registration system operating; and
- (v) Improved accessibility for pedestrians and other nonmotorized transport in the core area of Vientiane.

The centerpiece of VSUTP is a new public transport system along with the related traffic management upgrades that will serve a comprehensive route network of 84 kilometers bringing benefits to most residents of the city. VSUTP will finance 96 new buses and 11.5 kilometers of dedicated busways providing BRT operation along the key central spine of the network. The network will significantly upgrade current public transport conditions, and will integrate with operations of the existing bus company and buses provided to it by the Government of Japan.

The modern public transport system for Vientiane to be developed by VSUTP will generate substantial greenhouse gas (GHG) savings from a combination of improved bus technology, more efficient bus operations, and resulting mode shift (and retention). However, without easy, convenient and safe access to the BRT, passenger demand for the new public transport system will not be fully realized. There is an opportunity to build on and strengthen what will be done under VSUTP, by ensuring effective accessibility to the BRT system, especially in terms of "last kilometer" connectivity to the BRT stations.

The proposed GEF funded activities focus on low carbon modes for access to the BRT and other short trips. The proposed GEF-funded activity in Vientiane has two components that will directly reduce trip emissions and encourage shifts to public transport:

- Component 1: Improvements to pedestrian accessibility to BRT stations (\$1,000,000)
- Component 2: Modernized pedicab vehicles (pedal or pedal-electric hybrid) to replace existing three-wheelers (tuk-tuks) for short trips and as a feeder mode for the BRT (\$840,000)

The focus of these non-motorized transport investments will be upon Vientiane's historic central core, which is the area facing the most severe congestion. Upgrades to the urban walking environment and public space, and introduction of a low-carbon, low impact pedicab vehicles will provide the final connectivity to destinations as well as enhance the historical core as a focus for tourism development.

B. Implementation Progress (IP) Rating:

Project implementation is behind schedule by at least 14 months due to the delayed achievement of loan effectiveness and late recruitment of the EU-AIF grant financed project implementation consultant. This was due to the cross-effectiveness condition which required that the co-financing

loans and grants must have met their own effectiveness conditions before the ADB loan and ADB-administered GEF grant could be declared effective, and the delays arising from internal administration issues with some co-financiers.

The ADB loan was signed on 12 March 2015. The loan and grant agreements for the co-financing were signed subsequently. The last to be signed was the EU-AIF grant agreement, which was signed on 21 June 2016. The ADB loan and GEF grant were declared effective on 29 August 2016.

The contract for the project implementation consultants (PIC), to undertake the detailed designs and construction supervision of VSUTP, was awarded on 19 June 2018. PIC contract is financed by EU-AIF grant and EIB loan. Other contracts awarded to date are for (i) the international urban transport advisor, who mobilized on 7 October 2016, (ii) the external auditor (25 April 2018), and (iii) vehicles for project management (25 January 2018), all of which are financed by the ADB loan.

a. GEF Grant Disbursement

There has not been a GEF grant disbursement yet. The updated project schedule assumes the GEF components will be implemented starting in 2019. First GEF grant disbursement is projected in 2019.

b. Gender Action Plan Implementation Status

No gender-related activities have yet taken place.

c. Social and Environmental Safeguard Plan Implementation Status

The loan covenants related to safeguards are not yet due for compliance. Safeguards monitoring reports will be uploaded to the ADB website as they become available. The reports can be accessed through this link <https://www.adb.org/projects/45041-002/main#project-documents>.

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

The overall impact of the project in combination with the GEF funded activities will be an environmentally sustainable and pedestrian-friendly transport system developed in Vientiane. This will deliver global environmental benefits in terms of GHG emissions avoided and a range of socio-economic co-benefits. A reduction in emission of GHG of 25,000 metric tons per year from 2020 onwards is being targeted.

VSUTP is at its early stage of implementation. The project implementation consulting firm which will assist MPWT to implement the project was recruited on 19 June 2018. The PIC firm will prepare an updated project schedule for government and development partner consideration.

D. Risk Rating:

Modest Risk. The implementation delay is due to the delay in the loan and grant effectiveness and delayed consultant recruitment, due to a cross-effectiveness condition and the delayed signing of the agreement for one of the sources of cofinancing. An updated project implementation plan will be prepared, and close coordination and monitoring will be undertaken to accelerate implementation.

E. Overall Rating of the Project:

Moderately Satisfactory

F. Additional Comments – Good Practices and Lessons Learned:

None

G. Knowledge Management:

None

H. Location Data:

The project location is in Vientiane, Lao PDR. The project will focus on the historical central core area of Vientiane. This core area is a relatively narrow strip about 2.5 km in length and 1.6 square km in total area lying along the northern banks of the Mekong River.

Feature Type : city Elevation : 162 Lat/Lng : 17.9667 / 102.5833
(http://www.geonames.org/maps/wikipedia_17.9667_102.5833.html).

For Projects that have conducted Midterm Review Mission and Project Completion Mission (from 1 July 2016 to 30 June 2017)

IV. Materialized Cofinancing

Co-financing Table

(For projects which underwent a mid-term review/evaluation or terminal evaluation in FY)

Materialized Co-financing

[Please refer to the PIF template on the GEF webpage]

Sources of Co-financing ¹	Name of Co-financer	Type of Co-financing ²	Amount Confirmed at CEO endorsement / approval	Actual Amount Materialized at Midterm	Actual Amount Materialized at Closing
TOTAL					

Explain "Other Sources of Co-financing": _____

Reminder: Kindly include in your submission a copy of the following:

1. For projects that conducted **Midterm Review Mission**: Copy of the MOU Midterm Review Mission; BTOR and Updated Tracking Tools
2. For projects that conducted **Project Completion Mission**: Copy of the PCR, Copy of the MOU Midterm Review Mission; and Updated Tracking Tools

¹ Sources of Co-financing may include: Bilateral Aid Agency(ies), Foundation, GEF Agency, Local Government, National Government, Civil Society Organization, Other Multi-lateral Agency(ies), Private Sector, Other

² Type of Co-financing may include: Grant, Soft Loan, Hard Loan, Guarantee, In-Kind, Other



Signature:

Name of Project Officer: Adrien Veron-Okamoto
Position: Transport Specialist, SETC
Date: 28 August 2018

Endorsed by: Hiroaki Yamaguchi
Division Director SETC

Annex 1: 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.