



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

**Ministry of Public Works and Transport (MPWT)**

**Lao Road Sector Project 2 (LRSP-2)**

Project No. (P158504)

# **Annual Environmental and Social Safeguards Monitoring Report**

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**1 July 2022 to 30 June 2023**

**(Volume 1 Main Report)**

**Prepared by:**

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**Public Works and Transport Institute (PTI)**

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## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing	ESHS	Environmental and Social Health and Safety
BKX	Borikhamxay Province	ESMP	Environmental and Social Management Plan
CERC	Contingency Emergency Response Component	ESOM	Environmental and Social Operations Manual
CHS	Community Health and Safety	ECOPs	Environmental Codes of Practices
COC	Code of Conduct	E&S	Environmental and Social Safeguard
COC on GBV/VA C	Code of Conduct on Gender-based Violence and Violence Against Children	EU	European Union
C-ESMP	Contractor Environment and Social Management Plan	GOL	Government of Lao People's Democratic Republic
CSC	Construction Supervision Consultant	GRM	Grievance Redress Mechanism
DOE	Department of Environment	HP	Houaphan
DOP	Department of Personnel	ICT	Information Center and Technology
DOR	Department of Roads	IDA	International Development Association (or the WB)
DOT	Department of Transport	ISWS	Implementation Support and Works Supervision
DPC	Department of Planning and Cooperation	Km	Kilometers
DPWT	Provincial Department of Public Works and Transport	LRSP2	Lao Road Sector Project 2
DRIVER	Data for Road Incident Visualization, Evaluation, and Reporting	MAF	Ministry of Agriculture and Forestry
ECOP	Environmental Code of Practice	MLSW	Ministry of Labor and Social Welfare
EDPD/PTI	Environmental Research and Disaster Prevention Division of PTI	MONRE	Ministry of Natural Resources and Environment
EGEF	Ethnic Groups Engagement Framework	MPWT	Ministry of Public Works and Transport
EGEP	Ethnic Groups Engagement Plan	NCB	National Competition Bid
ESHS	Environmental and Social Health and Safety	NDF	Nordic Development Fund
EIB	European Investment Bank	NR	National Road
ESMF	Environmental and Social	NR13S	National Road Number 13 South

	Management Framework		
ESMP	Environmental and Social Management Plan	OPBRC	Operations and Performance-Based Road Contract
OPWT	District Office of Public Works and Transport	RAP	Resettlement Action Plan
ODX	Oudomxay Province	RME	Road Maintenance Engineer
OHS	Occupational Health and Safety	RMF	Road Maintenance Fund
PAFO	Provincial Agriculture and Forestry Office	RMS	Road Management System
P/CONRE	Provincial and/or Capital Office for National Resource and Environment	RoW	Right of ways
PBC	Performance-based contract	RPF	Resettlement Policy Framework
PDO	The Project Development Objective	SMWG	Safeguard Monitoring Work Group
PONRE	Provincial of Natural Resources and Environment	TSC	Detial Traffic Safety Campaign
PLWU	Provincial Lao Women Union	XBL	Xayabouly province
PLYU	Provincial Lao Youth Union	XK	Xieng Khouang province
PLSW	Provincial of Labour and Social Welfare.		
PRC	Provincial Resettlement Committee		
PSL	Phongsali Province		
PTI	Public Works and Transport Institute		
PTII	Public Work and Transport Training Institute		

## 1 INTRODUCTION

1. This report is the first environment and social (E&S) safeguard report for the year 2022 for the second Lao Road Sector Project (LRSP2) prepared by the Environment Research and Disaster Prevention Division (EDPD) of the Public Works and Transport Institute (PTI) of the Ministry of Public Works and Transport (MPWT). The report covers the safeguard activities conducted during January to June 2022 and aims to provide information on the safeguards implementation and monitoring of safeguards performances under the project during the reporting period.

2. This report consists 10 sections including (1) introduction (this section); (2) project background; (3) project implementation progress including an overview of sub-projects; (4) E&S safeguard implementation progress; (5) accident report; (6) PBC community participatory monitoring; (7) grievance redress mechanism monitoring; (8) gender mainstreaming; (9) ESMF implementation budget; and (10) challenges and next steps.

3. The report consists of 4 attachments as listed below while the details are provided in separated document (Volume 2).

- Attachment 1 Maps of Sub-projects Location in Six Provinces
- Attachment 2A Some Photos of Good E&S Performances
- Attachment 2B Details of Non-Compliance Findings
- Attachment 3 Summary of GRM Monitoring
- Attachment 4 Details of Contractor Employees divided by Gender

## 2 PROJECT BACKGROUND

### 2.1 The Project

4. The Ministry of Public Works and Transport (MPWT) of the Government of Lao PDR (GOL) is implementing the second Lao Road Sector Project (LRSP2) and its additional financing (AF) (LRSP2-AF or the Project) with support from the World Bank (WB). The Project Development Objective (PDO) is *to strengthen maintenance systems to improve reliable road connectivity in Lao PDR and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency*. The original project has a budget of about \$25 million (M) from WB and it was effective on 23 March 2017 while the closing date has been extended to 31 December 2025 with an additional budget of \$25M from WB. The Project has 4 components: (1) Climate Resilient Road Maintenance; (2) Institutional Strengthening; (3) Project Management; and (4) Contingency Emergency Response Component (CERC) (see descriptions below). The Government of Lao PDR (GOL) through the Road Maintenance Fund (RMF) provides counterpart fund of about

\$10M while the Nordic Development Fund (NDF), the European Investment Bank (EIB) and the European Union (EU), and the Asian Infrastructure Investment Bank (AIIB) also provide complimentary fund to finance the Project<sup>1</sup>. The technical assistance activities aim to strengthen capacity of MPWT and the Department of Public Works and Transport (DPWT) of the priority provinces to plan, manage, and supervise road maintenance works and assets including the preparation and implementation of a public-private partnerships through a new type of contract called the Performance-Based Contract (PBC) with a particular focus on addressing the climate change challenges that the road network is facing. The project provinces are Phongsaly (PSL), Oudomxay (ODX), Xayabouly (XYBL), Houaphan (HP), Xiengkhouang (XK), and Bolikhamxay (BLKX) while Attapeu province has been added in late 2018.

5. In Q3-Q4 2019, an additional financing was prepared and the NR13S has been proposed as part of the LRSP2. The safeguard instruments (ESMF, RPF, and EGEF) of the parent project (LRSP2) was updated and approved by WB before appraisal (see below). The updated instruments will also be applied to all LRSP2 subprojects. The NR13S applies the 10-year Operations and Performance-Based Road Contract (OPBRC) comprising 3-year periodic maintenance (called Construction Phase) and 7 years routine maintenance (called operations phase). Under OPBRC, the contractor will be responsible for detailed design, construction, and maintenance and the payment is made per the agreed performance milestone identified in the contract. It is noted that the PBC and OPBRC being applied to LRSP2 subprojects are new concept and it is being applied in Lao PDR. PBC and OPBRC are different from the conventional road maintenance works (NCB) where the risk of project financed is shared between the GOL and the contractor. Both GOL and contractor (especially local) are “learning by doing” on actual application of this type of contract on the ground.

## 2.2 Project Component

6. The Project comprises 5 components and scope of the activities updated under LRSP2-AF are as follows:

- ***Component 1 Climate Resilient Road Maintenance***. This component aims to support road maintenance and improvement of climate resilient and the activities will be implemented through subproject under the following 5 subcomponents: Component 1.1 Periodic Maintenance and Spot Improvement (using national competitive bidding or NCB contract), Component 1.2 Routine Maintenance (using performance-based contract or PBC), Component 1.3 Design and Supervision, Component 1.4 Road rehabilitation of Road 18A, and Component 1.5 Road improvement and maintenance of NR13S from BLKX to KM. The subprojects to be implemented under Components 1.1 and 1.2 will be identified by DPWT assisted by the ISWS consultant (SweRoad) and approved by the project steering committee

<sup>1</sup> Total project funding is about \$100M comprising \$50M from IDA, EUR 11.0 M from NDF, EUR 25.0 M from EIB and EU, and 30M from AIIB, and counterpart fund from Road Maintenance Fund of \$10M

established by DOR through an annual work plan mechanism. It is expected that the first-year subprojects will be financed by IDA and NDF while the follow-on years will be financed by EIB and/or AIIB. Implementation of Component 1.3 is implemented by SweRoad while Component 1.4 is made in response to emergency need due to Sontrin Impacts and that for Component 1.5 is made as part of the AF.

- ***Component 2: Institutional Strengthening.*** This component aims to strengthen capacity of MPWT and DPWTs to plan, management, and maintain road maintenance assets including road safety, human resources development, ICT, and E&S safeguard taking into account the mandates of key agencies and the provinces on road maintenance. The Department of Planning and Cooperation (DPC) is responsible for overall planning and coordination while key implementing agencies are the Department of Road (DOR), Department of Transport (DOT), Department of Personnel (DOP), the Information Center and Technology (ICT), Public Works and Transport Institute (PTI), Public Works and Transport Training Institute (PTII which are now merged within the PTI), and the provincial Department of Public Works and Transport (DPWT).
- ***Component 3. Project Management.*** This component aims to ensure effective and timely management and planning of project activities and ensuring full compliance of financial management, procurement, and E&S safeguard requirements. DPC of MPWT is the lead agency.
- ***Component 4. Emergency Response Component (CERC).*** This component aims to facilitate quick budget allocation in respond to an emergency case. In March 2020, an operations manual on CERC has been developed and cleared by WB.

### 2.3 E&S Requirements

7. To mitigate the potential negative impacts of Project on local environment and local communities, an Environmental and Social Management Framework (ESMF), a Resettlement Policy Framework (RPF), and an Ethnic Group Engagement Framework (EGEF) have been established during appraisal of the Project and they will be applied to all the subprojects and/or activities to be financed by the Project including the NR13S. The ESMF, RPF and EGEF provide guidance for: (i) environmental and social impacts screening; (ii) identification of environmental and social impacts management tools to be prepared for each road sub-project including technical guidelines for the preparation of site-specific Environmental and Social Management Plan (ESMP), a Resettlement Action Plan (RAP) or its abbreviation (ARAP), and/or an Ethnic Group Engagement Plan (EGEP), if screening shows the need; (iii) the implementation arrangement; and (iv) capacity building and implementation budget. The ESMF also provides example of typical Environmental Codes of Practices (ECOPs) for road maintenance as well as the social code of conduct (COC) to address social issues related to gender-based violence and violence against

children, which is to be finalized for each road sub-project and attached to the sub-project/site-specific ESMP. The contractor will also be required to prepare a contractor-ESMP in close coordination with the construction supervision consultant (CSC) who will be responsible for approval of the C-ESMP and monitor its compliance during the day-to-day supervision of works. The bidding will be required to fulfil the E&S safeguard obligations including the ESHS requirements. The ESMF requires that the subproject owner (i.e. DPWT) is responsible for the E&S screening and identification and preparation of site-specific or sub-project specific ESMP/RAP/EGEP with support from consultant. The ESMF also identified priority E&S activities with an aim to ensure compliance of safeguard requirement and to undertake research activities to mainstream E&S measures into road maintenance development process. US\$1,435,200 (funded by IDA-original of US\$ 620,000-revised and IDA-AF of US\$ 815,200-revised) has been allocated to ensure achievement of the safeguard compliance for LRSP2 and NR13S for training, supervision, and monitoring of safeguard measures.

8. It is noted that while an ESMP was prepared for each of the first-year subprojects for NCB and it is included in the contract, preparation of an ESMP for all subprojects both for NCB and PBC may not be effective and practical when more subprojects are selected and implemented. In this context, it was agreed that a provincial ESMP be prepared describing the environment and social background of the province and assess the potential generic impacts of the subprojects while site-specific ESMP of each subproject can be prepared in the form of an Alignment Sheet identifying works location and activities and safeguard measures to be carried out to mitigate the impacts. **Attachment 1** provides general information on locations of the project road networks and those related to topography, locations of the national and provincial protected areas, the major river basins, and some ethnic groups that may be present in the project areas.

## 2.4 Implementation Arrangement

9. The Project is being implemented following GOL administrative arrangement and mandate of key agencies and the provinces. At project level for E&S safeguard, the Environmental Research and Disaster Protection Division (EDPD) of the Public Works and Transport Institute (PTI) of MPWT is responsible for ensuring effective implementation of the ESMF, RPF, and EGPF and other safeguard instruments in close cooperation and/or in coordination with DPWTs and other related agencies at provincial and local levels. EDPD/PTI will work closely with the Department of Road (DOR) and other agencies of MPWT as well as those of the Ministry of Natural Resources and Environment (MONRE) and the Ministry of Agriculture and Forestry and Rural Development (MAF), Ministry of Labor and Social Welfares (MLSW), and other agencies at central level. Specific responsibility of EDPD/PTI for the LRSP2 and NR13S include, but not limited to, the following: (i) providing E&S safeguard training to DOR and DPWTs (ii) ensuring effective implementation and full compliance of ESMF, RPF, and EGEP of LRSP2 subprojects including overseeing the preparation and implementation of the ESMP, RAP, and/or EGEP of road

subprojects; (iii) ensuring full compliance with GOL E&S safeguard requirements for LRSP2 and NR13S; (iv) ensuring that DOR and/or DPWT includes the safeguards requirements into the bidding and contract documents for LRSP2 and NR13S; (v) undertaking monitoring and supervision of safeguard policy implementation at subproject level in coordination with Provincial and/or capital Offices for Natural Resources and Environment (P/CONRE); (vi) submission of E&S safeguard monitoring report to WB (6 months and annual), and (vii) undertaking research activities necessary for developing technical guidelines on E&S safeguard measures for road sector including updating the ESOM in close cooperation and consultation with MONRE and MAF agencies and mass organizations.

10. At subproject level, the DPWT is responsible for overall implementation, supervision, and monitoring of the ESMP in close coordination with PONREs, local authorities, and local communities and mass organizations of the province. DPWT will assign at least 1 full time staff and/or a unit (called SMMG) comprising PONRE and other local agencies to be responsible for undertaking E&S safeguard activities. They will conduct quarterly and 6-month monitoring. PONREs, and other local authorities join in the quarterly monitoring and SMMG/DPWT will send report to EDPD/PTI (if possible EDPD/PTI can join in the quarterly monitoring). EDPD/PTI and DOR (and PONRE, PAFO, and other local authorities) will conduct 6 months monitoring and submit monitoring report to the donors. Day-to-day and monthly monitoring of contractor compliances is conducted by DWPT field engineer and/or the construction supervision consultant (CSC). Contractor is responsible for implementation of environmental and social mitigation measures as required in the ESMP (which can be prepared in the form of a Sub-project Alignment Sheet) including the ESHS requirements, Community Health and Safety (CHS), the Environmental Code of Practice (ECOP) and the social Code of Conduct to manage potential risks associated with labor influx e.g gender-based violence and/or violence against children (COC on GBV/VAC or COC), and/or other activities as agreed with DPWTs. The contractor ESMP (C-ESMP) may also be prepared in the form of a sub-plan to mitigate potential impacts of specific activities (such as camp site, borrow-pits, erosion prevention, traffic management, road safety, consultation with local community, etc.). The contractor will also submit an E&S safeguard progress report to DPWTs on a quarterly basis. The ESMPs, ECOP, and COC formed part of the road maintenance contracts.

11. For the LRSP2 subprojects, the Implementation Support and Works Supervision (ISWS) consultant (i.e. SweRoad) is responsible for providing technical support and capacity building to DPWTs during the subproject preparation, design, and bidding including those related to the safeguard screening, preparation of safeguard documents, approval of the C-ESMP, and supervision and monitoring of its compliance. SweRoad, financed by NDF, has been on board in late 2017 and its inputs are expected to be phased out in 2020. However, for NR13S, a new ISWS is being mobilized with financing from EIB.

### 3 PROJECT IMPLEMENTATION PROGRESS

12. This section provides brief information on the implementation progress of subprojects being implemented under Component 1 (Climate Resilient Road Maintenance) while the activities related to safeguard training and capacity building being implemented under Component 2.4 is provided in [Section 4](#). There are also other technical assistance activities being implemented under Components 2 and 3 that should be considered as part of an effort to enhance effective coordination and effective mainstreaming of safeguard activities into road maintenance project development process.

#### 3.1 Component 1.1 Periodical Maintenance and Spot Improvement

##### (a) Four-Year Rolling Plan

13. Year 1: All 12 packages were completed deflect liability period and fully handover to the Project (Table 3-1)

14. Year 2: Certain variation orders were required cover the unforeseen additional works of the contracts and had been approved by EIB during the period. 4 contracts are delayed and suspended due to waiting for price adjustment approval. High inflation rate, material cost and fuel price, the Project received requested from contractors for price adjustments. The Project worked out with the WB and finalized the price adjustment formular in January 2023 and the Project submitted a request to EIB in February 2023. EIB and the Project are in the process finalizing the request. See Table 3-2 below for details.

15. Year 3: All 8 packages were completed for the bid, however, only 7 out of 8 were completed for signing the contracts. High inflation rate, material cost and fuel price, the Project received requested from contractors for price adjustments. The Project worked out with the WB and finalized the price adjustment formular in January 2023 and the Project submitted a request to EIB in February 2023. EIB and the Project are in the process finalizing the request. See Table 3-3 for details.

**Table 3-1 Progress of NCB Year 1 as of 30 June 2023**

No.	Province/Road No.	Length (km)	Total # of villages <sup>2</sup>	Total Beneficiary People		Safeguard documents	Civil Work Progress
				Total	Female		
I	Phongsaly	63	13	10,126	5,137		
1	1201 (Lot 1)	26	8	7,504	3,883	ESMP CESMP	100%

<sup>2</sup> located along the subproject

No.	Province/Road No.	Length (km)	Total # of villages <sup>2</sup>	Total Beneficiary People		Safeguard documents	Civil Work Progress
				Total	Female		
2	1201 (Lot 2)	37	5	2,622	1,254	ESMP CESMP	100%
<b>II</b>	<b>Oudomxay</b>	<b>45.91</b>	<b>18</b>	<b>12,770</b>	<b>6,346</b>		
3	1851	19.01	9	4,998	2,542	ESMP CESMP	100%
4	1804	26.90	9	7,772	3,804	ESMP CESMP	100%
<b>III</b>	<b>Xayabouly</b>	<b>71.39</b>	<b>16</b>	<b>14,430</b>	<b>7,987</b>		
5	3613	32.30	6	5,172	2,540	ESMP CESMP	100%
6	3602	39.09	10	9,258	5,447	ESMP CESMP	100%
<b>IV</b>	<b>Huaphan</b>	<b>41</b>	<b>15</b>	<b>5,881</b>	<b>2,688</b>		
7	3222	28.00	9	4,208	1,884	ESMP CESMP	100%
8	3249	13.00	6	1,673	804	ESMP CESMP	100%
<b>V</b>	<b>Xiengkhouang</b>	<b>52.14</b>	<b>17</b>	<b>11,018</b>	<b>5,736</b>		
9	4041	11.48	3	2,134	1,071	ESMP CESMP	100%
10	3907	27.22	7	4,939	2,359	ESMP CESMP	100%
11	3904	13.44	7	3,945	2,306	ESMP CESMP	100%
<b>VI</b>	<b>Bolikhamxay</b>	<b>19.56</b>	<b>7</b>	<b>4,441</b>	<b>2,178</b>		
12	5154	19.56	7	4,441	2,178	ESMP CESMP	100%

Table 3-2 Progress of NCB Year 2 as of 30 June 2023

No.	Province/Road No.	Length (km)	Total villages	Total Beneficiary People		Safeguard documents	Civil Work Progress
				Total	Female		
<b>I</b>	<b>Phongsaly</b>	<b>40.16</b>	<b>9</b>	<b>7,962</b>	<b>3,585</b>		
1	1229 (Lot 1)	20	5	6,427	3,017	ESMP CESMP	100%
2	1229 (Lot 2)	20.16	4	1,535	568	ESMP CESMP	100%

No.	Province/Road No.	Length (km)	Total villages	Total Beneficiary People		Safeguard documents	Civil Work Progress
				Total	Female		
3	1229 (Lot 3) Nam Le Bridge	50m at km13.2				ESMP CESMP	100%
<b>II</b>	<b>Oudomxay</b>	<b>41.325</b>	<b>16</b>	<b>8,862</b>	<b>4,496</b>		
4	1862	23	7	5,762	2,877	ESMP CESMP	40.72%
5	1875	18.325	9	3,100	1,619	ESMP CESMP	100%
<b>III</b>	<b>Xaybouly</b>	<b>25.22</b>	<b>16</b>	<b>11,542</b>	<b>5,717</b>		
6	(Lot- 1) 3822	26.10	4	2,760	1,377	ESMP CESMP	100%
7	(Lot- 2) 3822	23.70	4	2,420	1,214	ESMP CESMP	100%
8	3604	25.157	8	6,362	3,126	ESMP CESMP	65.55%
<b>IV</b>	<b>Huaphan</b>	<b>66.15</b>	<b>20</b>	<b>12,499</b>	<b>5,958</b>		
9	3205	20	6	2,449	1,153	ESMP CESMP	100%
10	3209	36.32	8	4,673	2,228	ESMP CESMP	100%
11	3249	9.83	6	5,377	2,577	ESMP CESMP	100%
<b>V</b>	<b>Xiengkhouang</b>	<b>36</b>	<b>8</b>	<b>6,680</b>	<b>3,326</b>		
12	3903	36	8	6,680	3,326	ESMP CESMP	100%
<b>VI</b>	<b>Bolikhamxay</b>	<b>104.07</b>	<b>14</b>	<b>16,306</b>	<b>8,469</b>		
13	5103	19.10	6	3,014	1,910	ESMP CESMP	100%
14	5107	16.50	3	5,750	2,838	ESMP CESMP	100%
15	(Lot 1). 5102	34.30	2	2,449	1,197	ESMP CESMP	48.13% (Temporary Break)
16	Lot 2). 5102	34.17	3	5,093	2,524	ESMP CESMP	44.75 (Temporary Break)

Table 3-3 Progress of NCB Year 3 as of 30 June 2023

No.	Province	Road #	Total Length (km)	Total Beneficiary People			Safeguard Docs	Civil Work Progress
				Village	People	Female		

No.	Province	Road #	Total Length (km)	Total Beneficiary People			Safeguard Docs	Civil Work Progress
				Village	People	Female		
1	Bolikhamxay	5161	23.500	4	11,750	..	SSAS	In Bid Evaluation Progress
2	Xiengkhouang	4041 3907 3904 (lot1) 3904 (lot2)	70.8	14	18,550	..	SSAS	In Bid Evaluation Progress
3	Huaphan	3223	14.4	6	3,286	1,610	SSAS	15%
4	Xayabouly	3634	15.7	7	3,999	1,947	SSAS	33.97%
5	Oudomxay	3609 1857	39.564	9	10,593	5,204	SSAS	10.71%
6	Phongsaly	1203	34.931	6	3,054	1,456	SSAS UXO	In Bid Evaluation Progress

### 3.2 Component 1.2: Routine Maintenance

16. Remaining 3 contracts were completed during the period (all 12 contracts completed) however, only 6% of total budget was paid from original budget of RF and provinces (2% increased from previous report). The Project worked out with the WB on price adjustment formular to include in PBC bidding document and finalized in January 2023. The bidding for new 13 packages (year 2023-2025) were started in January 2023 which are currently in the process of evaluation of the bids with expected to be mobilized the contracts by September 2023. Once contracts are mobilized, the Project roads will be received routine maintenance of 2,044 km by 2025. See Table 3-4 below.

**Table 3-4 Progress of PBC Year 3 as of 30 June 2023**

No.	Province/Road #	Length (km)	Total # of villages	Total Beneficiary People		Safeguard documents	Civil Work Progress
				Total	Female		
<b>I</b>	<b>Phongsaly</b>	<b>226.9</b>	<b>50</b>	<b>34,977</b>	<b>17,198</b>		
1	1225, 1465, 1235, 1466	82.9	25	20,612	9,983	ESMP	100%
2	1233, 1223, 1205, 1207, 1237	144	25	14,365	7,215	ESMP	100%
<b>II</b>	<b>Oudomxay</b>	<b>295.9</b>	<b>82</b>	<b>56,006</b>	<b>27,610</b>		

No.	Province/Road #	Length (km)	Total # of villages	Total Beneficiary People		Safeguard documents	Civil Work Progress
				Total	Female		
3	1802, 1852,1853,1854,1202, 1205	127.5	36	26,310	13,509	ESMP	100%
4	1232, 2088	90.2	23	12,650	6,136	ESMP	100%
5	1866, 1867, 1872	76.2	23	17,046	7,965	ESMP	100%
<b>III</b>	<b>Xaybouly</b>	<b>264</b>	<b>69</b>	<b>92,694</b>	<b>45,729</b>		
6	PBC-01/Rd Nos. 3633, 3636, 3603, 3605, 3648	170.3	46	51,712	25,293	ESMP	100%
7	PBC-02/Rd Nos. 3601, 3745, 3746, 3748, 3749, 3611, 3614	93.7	23	40,982	20,436	ESMP	68.95%
<b>IV</b>	<b>Huaphan</b>	<b>216.9</b>	<b>65</b>	<b>31,999</b>	<b>15,298</b>		
8	3201, 3203, 3413, 3239, 3440, 3421, 3483	109.1	36	21,775	10,385	ESMP	100%
9	3244, 3507, 3209, 3204	107.8	29	10,224	4,913	ESMP	100%
<b>V</b>	<b>Xiengkhouang</b>	<b>147.9</b>	<b>34</b>	<b>36,828</b>	<b>18,269</b>		
10	Contract No. CW-XIE-PBC- 01/Rd Nos. 3901, 3902, 3903, 4011, 3905	92.4	27	31,487	15,620	ESMP	100%
11	Contract No. CW-XIE-PBC- 2/Rd Nos. 3909	55.50	7	5,341	2,649	ESMP	100%
<b>VI</b>	<b>Bolikhamxay</b>	<b>87.6</b>	<b>26</b>	<b>25,335</b>	<b>12,570</b>		
12	5165, 5102, 5158, 5103, 5109, 5345	87.6	26	25,335	12,570	ESMP	86%

### 3.3 Component 1.3 Design and Supervision

17. This component aims to support detailed design and preparation of subprojects including those related to E&S safeguard and supervision of construction works. It provides technical and management support to PMU and DWPTs including on the job training to DPWTs on the plan and contract management.

#### (a) LRSP2 (6 provinces)

18. Currently, the Project recruited 1 Contract Management Consultant and 3 Road Maintenance Engineers for quality control and supervision of local road improvement and PBCs,

additional 3 Road Maintenance Engineers and 1 Assistance Contract Management Consultant will be required from 2023 to 2025.

#### (b) NR13S Project

19. Design and supervision consultant for NRS13 (all four sections) are financed by EIB through parallel funding. Total payment US\$1,696,588.97 or 42% of contract was made to Consultant.

### 3.4 Component 1.4: Tropical Storm Son-Tinh Emergency repair and disaster recovery

20. The Tropical Storm Son-Tinh Emergency Repair and Disaster Recovery (C1.4) were completed. The sub-component provided emergency response to the Xepian - Xe Namnoy dam break in Attapue province in July 2018. The two emergency contracts have been completed with a total length of 58.5km.

### 3.5 Component 1.5: Climate Resilience Improvement and Maintenance of the National Road 13 South

21. The Project is saved from IDA-AF budget on the contract (section 1) of US\$ 3,052,987 and this amount was allocated to perform FS and ESF for new project (CRTC project of US\$ 1 million) and remaining was allocated for improvement of bridges along this section of road.

22. Improvement of NR13S from km 71 to km 346 with financing support from the World Bank, EIB, and AIIB using an Output and Performance-based Road Contract (OPBRC) approach split into four sections. The World Bank finances section 1, while the EIB finances sections 2 and 4, and the AIIB finances section 3. Good progress was made for all four sections as presented in Table 3-5 below. RAP implementation of all section has been completed. Bi-Annual Safeguards Monitoring Report will be prepared and submitted separately.

**Table 3-5 Progress NR13S as of June 2023**

Section (S)	Contractor Name and Contract Date	Safeguard Documents	Completion of Compensation	Civil Work Progress (%)
S1, km71- km111 financed by WB	Joint Venture Thang Long Joint Stock Corporation and Souphaphone Constructions Survey Design and Road Bridge Sole Co., Ltd, Contract Date: 03/11/2021 to 03/11/2023	ESMP and RAP have been approved in July 2020	March 2022	88.09
S2, km111- km190 financed by EIB	Joint Venture of Trung Nam Construction and Engineering Corporation and Souphaphone Construction, Survey-Design and Road-Bridge Sole Co., Ltd	ESMP and RAP have been approved in November 2020	25 August 2021	48.39

Section (S)	Contractor Name and Contract Date	Safeguard Documents	Completion of Compensation	Civil Work Progress (%)
	Contract Date: 21/06/2021 to 21/06/2024			
S3, km190-km268 financed by AIIB	China International Water & Electric Corp. Contract Date: 15 <sup>th</sup> September 2021 to 14 <sup>th</sup> September 2024 and to 14 <sup>th</sup> September 2031	ESMP and RAP and (EGEP) has been approved in September 2020	March 2022	54.30
S4, km268-km346 financed by EIB	Joint Venture of Road No. 8 Construction Enterprise (lead member, Lao PDR) / Lao Mixay Construction co., ltd (Lao PDR) / (State Enterprise of Communication Construction (Lao PDR) Contract Date: 15/09/2021 to 15/ 09/ 2031	ESMP and RAP have been approved in November 2020	November 2021	70.53

### 3.6 Component 2.4.7: Road Safety

23. Road Safety: Additional 184.06 km of roads in Bilikhamxay, Xiengkhoang and Huaphanh were audited while further 155.3 km in Xayabuly, Oudomxay and Phongsaly will be audited in July 2023.

24. The National Road Safety Committee meeting was organized on 30 November 2022 while follow-up meeting with the NRSC Secretariat was on 5 December 2022, chaired by the Deputy Director General of DOT, immediate actions were discussed to translate the approved action plan into a detailed work plan. The approved action plan was translated while DoT is in the process of recruitment Consultant (funded by SEARACC project) to assist on the detailed work plan. Endorsement of speed management manual is funded by Global Road Safety Facility and it is still in draft, various consultation workshops need to be performed prior approval of Minister.

25. Public awareness raising campaigns was held during the New Year celebration. Speed control equipment was used along the NR13 during the New Year celebration. Police and campaign team for campaign and enforcement on NR13 S and NR13 N were mobilized and it will be held in June 2023.

## 4 IMPLEMENTATION OF SAFEGUARD MEASURES

26. Overall, the performance of environmental and social safeguards remains satisfactory. No major problems or incidents have been reported along road subprojects under the original LRSP2. The safeguard requirements provided in the Environmental and Social Management (ESMF), Resettlement Policy Framework (RPF), and Ethnic Group Development Framework (EGDF) of the

project were effectively complied with risk and impact management instruments or plans, including (ESMP, RAPs, and EGDPs, timely prepared and effectively implemented. The Safeguard Monitoring Working Group (SMWG) was well-trained and supported by the E&S consultants to monitor the C-ESMP implementation by the work contractors. The safeguard monitoring reports (SMR) have been prepared and provided to the financiers in a timely manner.

27. During this reporting period, the 6 provincial ESMPs has been updated EGEP for Y3 sub-project Road No. 1857 (Pak Kor to Alo, La district, ODX) has been prepared. Site Specific Environmental and Social Management Plan (SS-ESMP) for rehabilitation of the Nam Xam and Nam Mat Bridges located in the Road No.3904 in Kham district; Xiengkhouang province to be financed by NDF has been prepared in consultation with local authorities and communities and submitted to NDF. SSAS for all 10 contract of NCB Y3 and one CESMP for sub-project (Road No. 3609 in XYBL) have been prepared. ECoPs and Generic COC on GBV/VAC were applied in both SSASs and CEMPs.

#### **4.1 Safeguard Capacity Building and Community Consultation**

##### **(a) Trainings and Community Consultation**

1. From July 2022 to June 2023, there are three training workshops have been conducted by PTI to DPWTs in six provinces with a total of 67 participants including 6 females as presented below:

- On 6 September 2022, 2022 PTI have conducted a follow-up training workshop on safeguards monitoring and reporting and Community Participatory Monitoring for PTI E&S supporting staffs in six provinces with total of 16 participants including 4 females.
- On 16 September, PTI has also conducted consultation meeting with local communities in 3 villages (B. Mounxay, B. Xam, and also B. Viengkham village), Kham district, Xiengkhouang province to present project information, obtain data, opinion and concerns of local communities to prepare SS-ESMP for two bridges rehabilitation to be financed by NDF. The total participants were 45 people including 17 females.
- Preparation of EGEP for the Y3 road No. 1857 (Pak Kor to Alo) La district, ODX province: The Focus Group Discussion (FGD) and in-depth discussion at the village level were conducted from 4-5 May 2023 in 7 ethnic group villages with total of 275 participants including 81 females and more than 95% of participants considered ethnic. Participants were from ethnic group (men, women), village authorities, and representatives from the project team.
- On 24-25 May 2023, DPWT of Xayabouly has conduct road safety dissemination for local communities with a total of 114 participants including 63 females.

##### **(b) Safeguard Consultants and E&S Supporting Staffs (ESSS)**

2. **At EDPD/PTI level:** In early 2022, the Public Works and Transport Institute (PTI) and the Public Works and Transport Training Institute (PTTI) have been consolidated into one agency (called Public Works and Transport Institute or PTI) and the Environment and Disaster Prevention Division (EDPD) is a division of PTI. As of June 2022 PTI has recruited 12 safeguard consultants and ESSs for LRSP2 and NR13S. This capacity is considered adequate. The details are provided as follows:

- For NR13S: 1 environmental management consultant (ESMC, full time), 1 national safeguard coordinator (NSC, full time), and 2SSSs assisting EDPD/PTI while 2ESSs are on board at DPWTs of BKX and KM to assist DPWTs, PRCs, and SMWGs monitor safeguard implementation on the ground.
- For LRSP2 in the six provinces: the safeguard consultants on board include 1 senior safeguard consultant (part time) and 2 ESSs at EDPD/PTI and 6 ESSs at DPWTs/SMWGs (one for each province) to conduct safeguard monitoring and implementation of LCEP and other activities for the six provinces.

3. On roles, EDPD/PTI is responsible for facilitating timely implementation of RAPs and providing training/capacity building and technical guidance on safeguard compliance as required by the financiers (WB, AIIB, EIB for NR13S and WB, EIB, NDF/EU for LRSP2). DPWTs is responsible for supervision of work contract as well as supporting the safeguard monitoring to be conducted by the Safeguard Monitoring Working Groups (SMWGs) and the project resettlement committee (PRC) for RAP implementation. Safeguard budget is allocated to EDPD/PTI and fund flows to DPWTs through the project fund allocation mechanism managed by the Department of Planning and Finance (DPF) of MPWT. For NR13S, the ISWS is responsible for approval of C-ESMPs for all the 4 sections (S1, S2, S3, S4), day-to-day monitoring of the C-ESMP compliance, and submission of a monthly progress report (MPR) to PMUs with a copy to EDPD/PTI. Per contract, the ISWS is required to submit a quarterly (Q) safeguard report to EDPD/PTI following an agreed template for the safeguards quarterly monitoring report with ISWS. The PMUs will regularly send a copy of the MPR prepared by the ISWS to WB, EIB, and AIIB under their responsibilities.

4. From Government side, DPWTs and SMWGs (assisted by the ESSs) conducts monthly and quarterly monitoring and submit a quarterly report to EDPD/PTI while EDPD/PTI will conduct a 6-month monitoring and submit a safeguard monitoring report (ESMRs) to WB, EIB, and/or AIIB as agreed. The SWMGs comprise representatives from local agencies responsible for monitoring on compliance of the Environmental Compliance Certificate (ECC) issued according to the EIA decree as well as those sector agencies responsible for labor, protected area management, and the mass organizations responsible for women and ethnic groups. The SMWG will also be responsible for facilitating effective and timely implementation of the LCEP.

## 4.2 E&S Compliance Monitoring

5. During this reporting period, there are eleven (11) ESS monitoring missions conducted in four provinces (XK, XYL, ODX, and PSL). No safeguard monitoring for BKX and HP province due to 3 of NCB Y2 contracts were 100% and one remaining contract was temporary stopped. See Table 4-1 for more details.

**Table 4-1 List of Monitored Project**

Date	Road No.	Contractor	No. of Monitoring Team Member		Organization
			Total	F	
<b>1. Xiengkhouang Province</b>					
21/7/2022	3901,3902,3903,3905,4011.	phonsavanh Const. Co.; Ltd.	20	0	DPWT, SMWG, OPWT,RME, ES Support Staff
29/7/2022	3909	Phouphieng Const. Co.; Ltd	17	0	DPWT, SMWG, OPWT,RME, ES Support Staff
<b>2. Xayabouly Province</b>					
2-3/8/2022	3601,3745,3746, 3748, 3749, 3616,3614	Sipaseuth R & B Construction Co. Ltd	7	0	DPWT, SMWG, OPWT,RME, ES Support Staff
4-5/8/2022	3822 Lot 2	Vatsana Development Construction Co., Ltd.	7	0	DPWT, SMWG, OPWT,RME, ES Support Staff
9/11/2022	3745, 3746,3748,3749,3601	Sipaseuth R & B Construction Co. Ltd	4	0	DPWT, SMWG, OPWT,RME, ES Support Staff
15/5/2023	3609	Vatsana Development Construction Co., Ltd.	7	0	DPWT, SMWG, OPWT,RME, ES Support Staff
16/5/2023	3604	Xaysana Group Sole Co., Ltd	7	0	DPWT, SMWG, OPWT,RME, ES Support Staff
<b>3. Oudomxay Province</b>					
04/08/2022	1862	Xaysana Group Sole Co., Ltd	5	1	DPWT, SMWG, OPWT,RME, ES Support Staff
05/08/2022	1875	Vatsana Development Construction Co., Ltd	6	1	DPWT, SMWG, OPWT,RME, ES Support Staff
25/7/2023	1857	Vatsana Development Construction Co., Ltd	4	1	DPWT, SMWG, OPWT,RME, ES Support Staff
<b>4. Phongsaly Province</b>					

Date	Road No.	Contractor	No. of Monitoring Team Member		Organization
			Total	F	
01/07/2022	Namlair Bridge Road No.1229	Sompasong Construction Co.LTD	51	14	DPWT, SMWG, OPWT,RME, ES Support Staff

6. There are number of good practice from some contracts: Some of them (i) Workers wearing while working, (ii) Installation of warning and road safety signs including signaling, indicating, warning/ caution, prohibition signs, speed limit and Covid-19 prevention measures, (iii) Spray road watering to control dust generation, (iv) Consultation with communities and dissemination on the project activities and construction schedule as well as COC on GBV and VAC, Covid-19, and road safety during construction and operation, (v) Regular maintenance and repairing including installation of drainage system, (vi) Ongoing implementation and monitoring of GRM, (vii) Ongoing implementation and monitoring of community participatory monitoring of PBC contracts, (viii) Proper handling of hygiene and solid waste management within some workers camps, (ix) No working on Buddha day. The details are provided in Attachment 2A.

7. However, there are some E&S issues need to be improved including (i) Insufficient safety, waning, and speed limited signs; (ii) insufficient watering the road and excessive dust during dry season in some roads (iii) high-speed driving in the community area causing high risks of community health and safety; (iv) sometimes some workers working without PPE; (v) the pipe was blocked and full of sediment resulting in the water flow to the road and damaging the road surface; (vi) ineffective implementation of work in some areas at the standard technical level (Service level); (vii) improper handling of topsoil and unsuitable material in some road construction areas; (viii) lack of communication with and dissemination of project information, CHS and road safety to communities located along some sup-projects; (ix) site clearance and excavation at the bridge construction affected the paddy field (filled with excavated rocks and soils); and (x) in PSL, the installation of electric cable in some areas was low and there was a high OHS risk such as an electric shock when a worker comes into contact with an electrical energy source. However, recommendations for corrective action have been provided to contractors and most of issues have been solved. Please see Attachment 2B for details.

## 5 ACCIDENT REPORTING

8. There is no any accident during this reporting period.

## 6 COMMUNITY PARTICIPATORY MONITORING

9. During this reporting period, there are no community participatory monitoring due to the PBC contract has been completed.

## 7 GRIEVANCE REDRESS MECHANISM (GRM) MONITORING

10. GRM Monitoring Logbook to be used by Village Grievance Committee had been distributed to all villages located along with NCB and PBC sub-projects.

11. During this reporting period, there are 14 cases were recorded by the villager chief. 6 cases are solved, and 8 cases are still pending from Oudomxay province. The complaints/grievances are related to dust issues, speedy driving, and bad roads resulting in difficult traveling; therefore, the villager requested the company to urgently pave the road, particularly before the rainy season and in the mountains area. The GRM is still pending in Oudomxay province because the contract has a temporary stopped, and there are no construction activities, resulting in GRM not being solved yet.

12. **Summary of GRM Responses:** To solve the problem, SMWGs advised the contractor to do road watering to reduce dust generated, grade road filling, and pave the road before the rainy season to solve the environmental problem. Also, SMWGs advised the contractor to the contractor to educate their drivers on safe driving procedures and install the entrance and exit in the village and school area. The detail of the information in the Attachment 3.

## 8 GENDER INTEGRATION AND MAINSTREAMING

13. Gender: All construction companies have recruited some female staffs, most of whom are administrative staff and housekeepers who are local people. See Attachment 4 for details.

## 9 ESMF BUDGET

14. ESMF **Budget.** Recognizing the need to ensure effective management and monitoring of safeguard performance for the Project, as part of Component 2; safeguard capacity building is planned and implemented under the Component 2.4 and a budget of about US\$1,435,200 (funded by IDA-original of US\$ 620,000-revised and IDA-AF of US\$ 815,200-revised) has been allocated to ensure achievement of the safeguard compliance. Given the need to shift priority of safeguard capacity building to enhance effectiveness of ESHS and OHS aspect, the ESMF budget has been updated and agreed with WB during the virtual mission in May 2022.

15. As of 14 June 2023; a total of US\$ 986,677 was spent (US\$ 620,000 from IDA-original and US\$ 366,677 from IDA-AF). This included US\$ 115,200 for Senior Social Consultant and

Environmental and Social Management Consultant and US\$ 360,000 for ESF consultants in preparing ESMF for NR2 (New WB's Project). Remaining budget up to now is US\$ 448,523 (mostly from IDA-AF).

16. However, PTI needs a total budget of US\$ 593,523 in order to implement ESS supervision, monitoring and reporting for LRSP2 and AF/NR13S up to December 2025 including implementation of the LCEP on the ESH and ROW registration and Mapping on NR13S (Km 71 to Km 346) as per the November 2022 AM/agreed action.

17. Therefore, in order to fulfill these tasks PTI needs additional budget of about US\$ 145,000. This excludes budget for preparation of ESMF for the new CRRCI Project.

## **10 LIST OF ATTACHMENTS**

18. The report consists of 4 attachments as listed below while the details are provided in separated document (Volume 2).

- Attachment 1 Maps of Sub-projects Location in Six Provinces
- Attachment 2A Some Photos of Good E&S Performances
- Attachment 2B Details of Non-Compliance Findings
- Attachment 3 Summary of GRM Monitoring
- Attachment 4 Details of Contractor Employees divided by Gender