



QUARTERLY REPORT – JAN-MAR 2019

Vanuatu Infrastructure Reconstruction and Improvement Project

[Abstract](#)

This Quarterly Report describes the progress, issues challenges and recommendations for project implementation and management of the Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP).

Date 23May 2019

**Republic of Vanuatu: Vanuatu Infrastructure Reconstruction and Improvement Project
Quarterly Report – Jan-Mar 2019**

Financed by:

**The World Bank
The Government of Vanuatu**

Prepared by : Project Support Team (PST), MIPU

For : Project Implementation Committee, World Bank and Central Tenders Board (CTB)

Notice

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Abbreviations

AUD	Australian Dollar	PAD	Project Appraisal Document
CERC	Contingency Emergency Response Component	PCR	Physical Cultural Resources
CRW	Crisis Response Window	PCRAFI	Pacific Catastrophe Risk Assessment and Financing Initiative
DA	Designated Account	PDNA	Post-Disaster Needs Assessment
DSPPAC	Department of Strategic Planning, Policy and Aid Coordination	PDO	Project Development Objective
		PIC	Project Implementation Committee
EMP	Environmental Management Plan	PMO	Prime Minister's Office
ESMF	Environmental and Social Management Framework	PMU	Project Management Unit
GDP	Gross Domestic Product	POM	Project Operations Manual
GoA	Government of Australia	PPN	Policy and Practice Note
GoNZ	Government of New Zealand	PRIF	Pacific Regional Infrastructure Facility
GoV	Government of Vanuatu	PSC	Project Steering Committee
GPSS	Global Program for Safer Schools	PST	Project Support Team
GRS	Grievance Redress Service	PWD	Public Works Department
HIES	Household Income and Expenditure Survey	RPC	Recovery Program Committee
IBCs	Island Based Contractors	RPCo	Recovery Program Coordinator
ICB	International Competitive Bidding	R4D	Roads for Development
IDA	International Development Association	SDR	Special Drawing Rights
IRCCNH	Increasing Resilience to Climate Change and Natural Hazards Project	SORT	Systematic Operations Risk-Rating Tool
MIPU	Ministry of Infrastructure and Public Utilities	SRDP	Strategy for Climate and Disaster Resilient Development in the Pacific
MoET	Ministry of Education and Training	TC Pam	Tropical Cyclone Pam
NGO	Non-Government Organisations	USD	United States Dollars
NRESP	National Recovery and Economic Strengthening Program	VERM	Vanuatu Education Road Map
NZD	New Zealand Dollar	VESP	Vanuatu Education Sector Program
OP/BP	Operational Procedure/Bank Policy	VESS	Vanuatu Education Sector Strategy
VIRIP	Vanuatu Infrastructure Reconstruction and Improvement Project		
VMDRR	Mainstreaming Disaster Risk Reduction Project		
WB	World Bank		



PROJECT KEY PLAN

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Basic Data

Credit No:	5847-VU
Grant No	D122-VU
Project Title	Vanuatu Infrastructure Reconstruction and Improvement Project
Borrower	Government of the Republic of Vanuatu
Executing Agency	Ministry of Finance and Economic Management
Implementing Agency	Ministry of Infrastructure and Public Utilities (through the Public Works Department)
Other Key Agency	Ministry of Education and Training

Financing Plan:	Amount (million)	Share of Total (%)
World Bank Credit	SDR17.65 (USD25 equivalent)	50%
World Bank Grant	SDR17.65 (USD25 equivalent)	50%
Total Estimated Project Cost	USD50	100%

Financing Agreements signed:	2 August 2016
Effective Date of Project	6 March 2017 ¹
Project Closing Date	30 April 2022
Dates of World Bank Mission(s)	8-12 April 2019

Project Purpose

The project development objective (PDO) is to reconstruct and/or improve the disaster and climate resilience of selected public sector assets in provinces impacted by Tropical Cyclone Pam, and to provide immediate and effective response to an Eligible Crisis or Emergency. Achievement of the PDO will be measured by the following indicators:

- Population on project islands with improved road and pedestrian access (number, with sub-indicator of breakdown of percentage of women/men); and
- Number of users/beneficiaries of schools reconstructed and upgraded to higher structural safety standards (number, with sub-indicator of breakdown of percentage of women/men).

The Project consists of the following parts:

Part 1. Road Reconstruction and Improvement. USD26 million

- Carrying out road repair works and undertaking spot improvements to road sector assets affected by Tropical Cyclone Pam, including improving the resilience of road sector assets in provinces affected by Tropical Cyclone Pam.
- Provision of technical support for the design and supervision of the civil works under this part of the Project.

¹ The effective date started on 6 March 2017 with the arrival of the PMC. However, it is acknowledged that the project had completed the first year of implementation slightly behind schedule due to early challenges with recruitment and retention of procurement specialist.

Part 2. School Reconstruction and Improvement. USD13 million

- Reconstruction, rehabilitation, repair, or retrofit of schools affected by Tropical Cyclone Pam, including improving the resilience of schools in provinces affected by Tropical Cyclone Pam.
- Construction or reconstruction of at least one disaster resilient building, in selected schools, that complies with technical standards required for evacuation centres.
- Carrying out a program of activities designed to improve water supply and sanitation facilities and other amenities in schools affected by Tropical Cyclone Pam.
- Provision of technical support for the design and supervision of the civil works under this part of the Project.

Part 3. Public Building Reconstruction and Improvement. USD6.5 million

- Reconstruction, rehabilitation, improvement, or retrofit of Selected Public Buildings affected by Tropical Cyclone Pam, including improving the resilience of Selected Public Buildings in provinces affected by Tropical Cyclone Pam.
- Provision of technical support for the design and supervision of the civil works under this part of the Project.

Part 4. Project Implementation and Technical Support. USD4.5 million

- Carrying out a program of activities designed to enhance the capacity of the Recipient for Project management, implementation, coordination, monitoring and evaluation of the Project, such program to include the establishment and maintenance of a Project support team.
- Provision of technical assistance to support the Recipient in reviewing and assessing the existing legislative and institutional framework for the creation of a sustainable source of funding for maintenance of road assets and/or schools and/or Selected Public Buildings, and developing action plans and/or recommendations to strengthen such legislative and institutional framework so as to improve its implementation.
- Carrying out a program of activities designed to build the capacity of outer-island contractors and communities to participate in improvement works to road sector assets and/or schools and/or Selected Public Buildings under the Project, and providing training to said communities on safe building construction methods.

Part 5. Contingency Emergency Response. USD Nil.

- Carrying out a program of activities designed to provide rapid response to an Eligible Crisis or Emergency, as needed.
- There have been no scope changes within this project to date and the implementation arrangements as described in the Financing Agreement, dated 2 August 2016 remain essentially unchanged.

Executive Summary

The Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP) is a Government of Vanuatu (GoV) led and World Bank finance project aimed to support GoV's reconstruction and recovery efforts following the impact of Tropical Cyclone (TC) Pam in March 2015. The project development objective (PDO) of the project is to *reconstruct and/or improve the disaster and climate resilience of selected public sector assets in provinces impacted by Tropical Cyclone Pam, and to provide immediate and effective response to an Eligible Crisis or Emergency.*

Operating Context

Good overall progress has occurred with the first works contracts being completed, annual planning/works scheduling processes established the end of 2018 are now being implemented and critical consulting services are generally in place. A high level of ownership and participation is evident for all Parts of the project. Increased rate of progress has occurred during the first quarter 2019 because a conducive operating environment.

Rate of disbursement has increased and will accelerate towards the end of 2019.

Based upon progress during quarter, at the current rate, the project would be on target to reach its targets by mid-term review, having overcome the significant initial delays.

During the quarter, the DRF Consultant has been actively working with the Prime Minister's Office and Department of Strategic Planning, Policy and Aid Coordination (DSPPAC) with the development of the National Disaster Recovery Framework (NDRF) and the finalisation of the Ambae Recovery Plan. However, the engagement of key players, because of conflicting priorities, have caused problems with representation and ownership of the plans.

The operating context within Public Works Department (PWD) does remain challenging due to capacity issues and shortages caused by a combination of unfilled vacancies and recent appointments. The PST has worked hard to brief the Director General and Director, PWD on the project and progressively seek guidance on future initiatives. The Minister expressed his strong concern about lack of communication early in the first quarter, requiring significant consultation.

The working relationship between the VIRIP and the DFAT funded Roads for Development (R4D) programme remains very good, albeit the term of the transitional arrangement will expire on 1 July 2019. It is expected that the incoming R4D2 team will be slightly disruptive during the second quarter.

Ministry of Education and Training (MoET) remains a strongly active stakeholder. Finalisation of classroom design and certification, as a result of the World Bank funded Global Program for Safe Schools (GPSS) Safer School's program has been problematic with need to issue tenders with the original classroom design, requiring issuance of at least one subsequent variation.

DSPPAC has been active with the planning and prioritisation of Part 3: Public Buildings. There will be greater emphasis on DSPPAC during next quarters, as these activities are implemented.

The National Recovery Committee (NRC) has been meeting on a fortnightly basis to discuss long term recovery efforts for TC Pam and the Ambae Volcanic Emergency. Notably the NRC has been overseeing the formation of the NDRF and the Ambae Recovery Plan, with the active participation of DRF Consultant (funded under VIRIP). Similar to the MIPU Minister, the Chairman NRC expressed his frustration of the lack of understanding of the project.

There was one meeting of the Project Implementation Committee (PIC) during the period on 22 February 2019, addressing a number of strategic issues for all Parts of the project and the development of the NDRF.

Involvement of the World Bank in the project has been considerable, influential and respected. Very fortunately, the World Bank Task Team Leader (Michael Bonte) flew to Port Vila on to specifically brief

the Minister and Chairman NRC on the project to reconfirm the nature of the project. This trip was extremely useful and helped bring the perception and reporting of the project into correct context.

As a result of the changing leadership within key department and ministries, communications is now an immediate and fundamental need to describe most notably the project resource requirements, constraints, outputs and outcomes. Misunderstanding and poor perceptions of the project are still apparent, therefore communications through a coordinated approach is a very high priority.

A number of recommendations have been made in the past which are being progressively addressed. New recommendations has been provided during the quarter to address: lack of effective communications, buy-in required on NDRF and capitalisation on good progress made in the area of safeguards.

Status of Implementation and Key Results

Project is progressing well and generally on track to meet the indicators within the current program. During the Mid Term Review there will be a need to review the details of the indicators and how they will be measured. No issues at this stage, require attention, however some issues are behind schedule. Further details are laid out in Section 4.

Project Implementation

Works Programme

The current physical and financial completion is shown below:

Practical Completion	Time Completion	Disbursements	Financial Commitment	Financial Expenditure
45%	44%	18%	18%	12%

Practical completion is analysed by MS Project, across all project Parts and is the percentage of tasks and activities practically complete by the date of the report. Total disbursements and financial commitments are still lagging, however there is a considerable amount of procurement occurring during Q1, Q2 and Q3 which will rapidly improve these figures. It is apparent at this stage, that the project will meet the originally anticipated practical completion. However, given the high concentration of procurement, financial commitments and expenditure will lag. Notwithstanding, the projections indicate the project will be tracking well by the Mid-Term Review which is expected by August 2019.

Refer to Appendix 1.

Institutional Stream

The main focus of the institutional stream is the development of the NDRF. Principal outputs for the quarter are in summary:

- Submitted, for DSPPAC/PMO, completed Ambae and Affected Islands Recovery Plan to National Recovery Committee (Ambae and Affected Islands Recovery Plan).
- Led successful DSPPAC+ team preparation and completion of national NDRF inaugural workshop.
- Prepared NDRF briefs and preparatory outline of NDRF sourcebook document.

It is expected that the outcomes of the NDRF that will prompt recommendations for the upcoming Mid-Term Review.

Project Management

The PST has spent considerable effort and time developing a range of standard operating procedures for the project. The PST is currently reviewing a number of these manuals which is expected to continue until August 2019, when they will be re-issued.

Financial Management and Performance

In Quarter 1, 2019 the World Bank disbursed to the Designated Account held with the Reserve Bank a total of Vt.251,193,169 of which Vt.98,881,654 is Grant and Vt.152,311,515 is Credit respectively. These amounts were allocated into the four different Parts of VIRIP.

In Q1 2019, there were five disbursements by the World Bank.

To date, total actual expenditure under VIRIP stood at Vt. 614.3 million. The outstanding commitments for 2019 stands at Vt.725.2 million. This includes all contracts signed excluding incremental operating costs.

Safeguards

During the period, seven screening forms developed, five ESMPs and five CESMP developed and approved. All templates or standardised ESMPs are still being refined to minimise the type of user errors typically encountered with standardised documents. These standardised documents are on track to be completed in Q2.

In terms of capacity building, the Safeguards Specialist (SS) gave a presentation on VIRIP safeguards systems at all pre-tender meetings for schools and roads packages and the SS or Safeguards Officer is attending all initial prestart meetings (a recent initiative by the Contracts Manager) to set expectations with Contractors.

Community meetings take place on a regular basis on all active contracts with weekly meetings held with a community nominated Community Representative.

SS has been involved with the drafting some selected codes of environmental practice.

In terms of safeguards resourcing, the strategy of combining this with capacity building of local consultants is beginning to show results.

Procurement

The current quarter has seen the development of a market survey which will assist the PST and stakeholders in understanding further the capability and capacity of local works related companies. The survey will be sent to 20 works related companies operating in Vanuatu. Once the survey is completed this information will assist VIRIP in developing acquisition strategies that suit stakeholders (Government of Vanuatu and the World Bank) needs and fit the market. This survey should be completed by the 30th June 2019 – including a summary report.

Acquisition strategies to date have relied upon local knowledge. Strategies applied have combined what would have been separate (discrete) procurements, therefore increasing the value of procurements conducted and reducing the number of procurements.

Eight different works related companies have so far been awarded VIRIP procurements; excluding IBC contractors. We expect that several of the companies that have been awarded contracts are at the limit of their capacity; and we are closely monitoring this situation. The market survey should further inform us as to capacity limits.

In some instances when pre-quotation briefs have been held they have covered more than one procurement – a significant efficiency for Government Departments, VIRIP PST and the companies attending the brief. Pre-quotation briefs are now beginning to focus more intently upon “site” issues, as attendees have come to better understand the Bank’s procurement processes.

VIRIP PST has in January 2019 introduced an Excel Workbook that has built in formula to calculate the Total Cost of either a Bill of Quantities or a Priced Activity Schedule. Since the introduction of this approach there has been a marked reduction in arithmetic errors from bidders; with a flow-on effect of improving procurement efficiency.

The VIRIP PST has continued to be the organisation that puts in place most of the VIRIP contracts. The VIRIP Procurement Officer provides a ni-Van counterpart to whom the Procurement Specialist is transferring his skills, knowledge and experiences. She has begun on the job training in relation to the conduct of procurement including in relation to managing records, conducting ITQ's, negotiation, executing contracts and debriefing unsuccessful contractors.

During the March quarter VIRIP executed 13 contracts and began the procurement process for a further 5 contracts. "Delays" as identified through the STEP system declined from 4 at the end of the December quarter to 1 at the end of the March quarter. It is anticipated that these "delays" will continue to decline in coming quarters.

The most significant delays in relation to procurement relate to the readiness of Technical Packs. This matter is being addressed with the consulting firms developing the Technical Packs.

It is anticipated that procurement will produce another 12 less than USD1m contracts in the June quarter; subject to the readiness of Technical Packs.

Risk Management and Key Lessons Learnt

A risk analysis has been made to identify some key lessons learned during the first two years of implementation. The intention is not to criticise and make judgements but rather to reflect on the key learnings from a strategic, technical and operational perspective. Refer to Section 5.

VIRIP continues to operate within MIPU and maintaining and building relationships with key stakeholders, namely PWD, MoET and DSPPAC. Works have commenced for both road infrastructure enhancements and repairs to schools and public buildings. Good progress has been realised in the quarter.

The PST will continue to place a strong emphasis on institutional enhancements and promotion of local leadership and oversight of all aspects of the program. Institutional support to NRC and DSPPAC continues, however, further buy-in is required for the development of the NDRF.

In progressing work, the PST has identified a number of recommendations from the first quarter of the year. These recommendations provide a basis for further consultation and engagement and will be tracked and updated during the course of the next reporting period. These recommendations do build upon the recommendations provided in the annual report. Key recommendations for the quarter include:

Recommendation 1: Communication with stakeholders must improve. This has occurred during the period. However, a concerted efforts is required, including social media and press releases.

Recommendation 2: Require greater buy-in from stakeholder for the NDRF, including DSPPAC and NRC. This will require a strategy from the DRF Consultant with active assistance form the PST.

Recommendation 3: Capitalisation on good progress in safeguards. Exploit opportunities in this area, requiring a strategy agreed leading up to the MTR.

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1. Introduction

Between March 12 and 14, 2015, Tropical Cyclone Pam (TC Pam) struck 22 islands of Vanuatu as an extremely destructive category 5 cyclone. The total economic damage and losses as a result of the cyclone were estimated to be approximately USD 450 million, which equates to approximately 64 percent of the country's GDP. Shefa and Tafea were the worst affected provinces, in particular on the larger islands of Tanna, Erromango and Efate and the smaller Shepard islands. Eleven fatalities were recorded in Tafea and Shefa province. As many as 65,000 people were displaced from their homes, around 17,000 buildings were damaged or destroyed, and the livelihoods of at least 80 percent of Vanuatu's rural population were compromised due to large scale destruction of crops.

In the wake of TC Pam, the Government of Vanuatu (GoV) officially declared a state of emergency for Shefa Province on March 15, 2015. Emergency response efforts were led by the government with the support of multiple humanitarian partners, international and national non-governmental organizations, foreign governments, and donors. GoV undertook a Post-Disaster Needs Assessment (PDNA) with the support of the World Bank and other development partners, which formed the basis of the National Recovery and Economic Strengthening Program (NRESP) to guide the recovery and reconstruction of all sectors affected by TC Pam. Recovery and reconstruction costs are estimated at USD 316 million.

The World Bank has provided USD 50 million to Vanuatu in response to TC Pam through the International Development Association (IDA) Crisis Response Window (CRW) to finance the Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP). VIRIP will provide financial support to GoV through numerous targeted investments in road assets, and to reconstruct schools and public buildings damaged by TC Pam.

The Ministry of Finance and Economic Management (MFEM) is the project Executing Agency (EA). The Public Works Department (PWD) under the Ministry of Infrastructure and Public Utilities (MIPU) is the key Implementing Agency (IA), supported by the Project Support Team (PST). The project is managed through a Project Implementation Committee consisting of representative Directors from PWD, Ministry of Education and Training (MoET), MFEM and Department of Policy Planning and Aid Coordination (DSPPAC). This quarterly report is prepared by the Project Support Team (PST) and covers the period January-March 2019.

2. Operating Context (Jan-Mar 2019)

Increased rate of progress has occurred during the first quarter 2019 because a conducive operating environment. Good overall progress has occurred with the first works contracts being completed, annual planning/works scheduling processes established the end of 2018 are now being implemented and critical consulting services are generally in place. A high level of ownership and participation is evident for all Parts of the project. Rate of disbursement has increased and will accelerate towards the end of 2019. Based upon progress during quarter, at the current rate, the project would be on target to reach its targets by mid-term review, having overcome the significant initial delays.

Policy development

During the quarter, the DRF Consultant has been actively working with the Prime Minister's Office and Department of Strategic Planning, Policy and Aid Coordination (DSPPAC) with the development of the National Disaster Recovery Framework and the finalisation of the Ambae Recovery Plan. However, as a result of conflicting priorities, buy-in by DSPPAC and other stakeholders has been lacking.

Public Works Department (PWD) / Ministry of Infrastructure and Public Utilities (MIPU)

The operating context within Public Works Department (PWD) does remain challenging due to capacity issues and shortages caused by a combination of unfilled vacancies and recent appointments. The PST

has worked hard to brief the Director General and Director, PWD on the project and progressively seek guidance on future initiatives.

The Minister expressed his strong concern about lack of communication early in the first quarter, requiring significant consultation. This lack of communications with the Minister about the project appears to be complex and almost certainly exacerbated by the untimely departure of the previous Director Public Works Department in December 2018.

Very fortunately, the World Bank Task Team Leader (Michael Bonte) flew to Port Vila to specifically brief the Minister and Chairman NRC on the project to reconfirm the nature of the project. This trip was extremely useful and helped bring the perception and reporting of the project into correct context.

Roads for Development (R4D)

The working relationship between the VIRIP and the DFAT funded Roads for Development (R4D) programme remains very good, albeit the term of the transitional arrangement will expire on 1 July 2019. It is expected that the incoming R4D2 team will be slightly disruptive during the second quarter.

Ministry of Education and Training (MoET)

Ministry of Education and Training (MoET) remains a strongly active stakeholder. The departure of the MoET Chief Architect in December has not caused a resource constraint, as originally expected. Finalisation of classroom design and certification, as a result of the World Bank funded Global Program for Safe Schools (GPSS) Safer School's program has been problematic with need to issue tenders with the original classroom design, requiring issuance of at least one subsequent variation.

MoET have worked hard with their design consultant Kramer Ausenco (S2-01-18 Survey and Documentation of School Buildings) to develop a strategy for completion of surveys, designs and implementation of Part 2. This Strategy will be issued early next quarter.

Department of Strategic Planning, Policy and Aid Coordination (DSPPAC)

DSPPAC has been active with the development of the National Disaster Recovery Framework (NDRF) and the planning and prioritisation of Part 3: Public Buildings. There will be greater emphasis on DSPPAC during next quarters, as these activities are implemented.

DSPPAC have also worked hard with their design consultant Kramer Ausenco to develop a strategy for completion of surveys, designs and implementation of Part 3. This Strategy will be issued early next quarter.

National Recovery Committee (NRC)

The NRC met on a fortnightly basis to discuss long term recovery efforts for TC Pam and the Ambae Volcanic Emergency. Notably the NRC has been overseeing the formation of the NDRF and the Ambae Recovery Plan, with the active participation of DRF Consultant (funded under VIRIP).

Similar to the MIPU Minister, the Chairman NRC expressed his frustration of the lack of understanding of the project. Again fortunately, the World Bank Task Team Leader (Michael Bonte) briefed the Chairman NRC and it is believed that he has a much better understanding of the project and is now an active stakeholder with a number of initiatives. This is a welcome development, as VIRIP is now much better understood with much greater political buy-in and motivation. This is most notably seen with the development of the NDRF, Ambae Plan and the potential formation of the Recovery Unit (under DSPPAC), with the assistance from VIRIP.

Project Implementation Committee (PIC)

There was one meeting of the PIC during the period, addressing a number of strategic issues for all Parts of the project and the development of the NDRF. Engagement with PIC has been positive and PST and VIRIP advisers have engaged with individual members of the PIC on individual project Parts.

World Bank

Engagement with the World Bank during the period has been very constructive and as noted above has helped rectify perceptions of the project. Active participation by the World Bank team has occurred in a number of ways, including regular phone calls, video conferences and email exchanges.

It is recognised that the pace of implementation has occasionally strained the relationship with some expressed frustrations. However, the involvement of the World Bank in the project has been considerable, influential and respected.

Risks

It was previously identified that some clarity was required on the influence of the South Santo Road project (Vanuatu Climate Resilient Transport Project), Ambae emergency and relocation and the VT3 billion feeder road program.

It is now apparent that VIRIP will have little/no involvement with the South Santo Road, the involvement of the Ambae Emergency is currently isolated to the development of the Recovery Plan (by the DRF Consultant) and the Feeder Road project has had little effect to date. However, these initiatives will be reviewed in future in context with the limited available resources to execute this project.

Communications

As a result of the changing leadership within key department and ministries, communications is now an immediate and fundamental need to describe most notably the project resource requirements, constraints, outputs and outcomes. Misunderstanding and poor perceptions of the project are still apparent, therefore communications through a coordinated approach is a very high priority.

Procurement and Contract Administration

The backlog of procurement as a result of delayed planning, design and documentation is beginning to decline, as the pace has continued during the period. As procurement pace has increased other bottlenecks (e.g. design) have been identified and are being actively managed. Lack of available evaluation committee has been a constraint. There are now 22 contracts well underway, which will rapidly increase to at least 30 works contracts in the second-third quarter which will see the transfer of pressure from procurement to contract administration.

Competition and Price Reductions

Competition amongst tenderers remain sporadic with some requests being well responded to whilst others are not. There is an evolving cadre of 12 tenderers which regularly respond to tender opportunities. It remains encouraging that the tender prices have generally decreased during the quarter and data is being collected for further definition of Engineer Estimates in the future.

Progress of Recommendations

Key Recommendations from Annual Report	Summary of progress
Recommendation 1: PST to continue supporting and promoting a high level ownership of the project, including infrastructure and institutional components.	This is an on-going process whereby the PST has sought high engagement with individual Ministries and in working through the PIC. Mobilisation of the DRF Consultant has raised awareness of risk informed development planning, which will be a main feature of DRF. This is an on-going recommendation which will be carefully monitored.
Recommendation 2: PST to facilitate a focus on institutional arrangements and support existing government systems and processes, whilst recognising the unique suite of activities and processes that need to be met internally under the management of the World Bank.	This work has continued with the Disaster Recovery Framework Consultant. Further developments are expected next quarter with the potentially newly formed Recovery Unit, DSPPAC.

Recommendation 3: To support the inclusion of safeguards elements into PWD works planning processes, there is a need for all VIRIP activity proposals to complete a screening checklist before being confirmed into the annual work plan	Safeguards frameworks have been approved and are currently in the middle stages of operation.
Recommendation 4: VIRIP to explore options to consider adequate and appropriate skills transfer to young Ni-Vanuatu business graduates and young professionals.	This is an on-going recommendation and some young Ni-Vans have been put forward for voluntary roles within PST but these have not been accepted to date.
Key recommendation from QPR 1 – Jan-March 2018	
Recommendation 1: Communications with relevant stakeholders require improvement. PST to develop and implement a communication strategy that meets the requirements for information from politicians, key government agencies, World Bank and general public.	Communications with key stakeholders worsened during the period, with the Minister and Chairmen NRC expressing their concern of lack of information. During the period a concerted effort was required involving the World Bank TTL to confront these concerns and deal with misunderstandings more generally. .
Recommendation 2: During the upcoming period, VIRIP must increase the pace of procurement to meet the project requirements and improve perception of project performance.	Pace significantly increased and made more efficient. SLO blanket clearance of bidding documents has reduced the length of the procurement process considerably. Currently, STEP shows only 1 delayed procurement.
Recommendation 3: During the next 2 quarters, VIRIP must transition to improving the resilience of the long term recovery, including development of the Disaster Recovery Framework and supporting the subsequent reform measures within the scope of the project.	DRF Consultant sourced and mobilised. Significant progress already made on services to date. However, the direction from the Government for the DRF Consultant to assist with the development of a DRF for Ambae will affect the original program. At this stage it is expected that the generic national DRF will be completed by June 2019. However, more buy-in is required from DSPAC and other stakeholders, including NRC.
Recommendation 4: The transitional arrangement with R4D and the second phase of that programme require clarification. Most notably, it is essential the roles, functions and inter-relationship between the VIRIP and R4D must be made clear.	Clarification eventually sought. However, initially some aspects were unclear, most notably the oversight of IBC Contractors. During the September World Bank mission, the position of DFAT was expressed, whereby they indicated that R4D consultants would not be involved with VIRIP-funded IBC works. This remains a concern.
Key recommendation from QPR 3 – Jul-Sep 2018	
Recommendation 1: Communications with relevant stakeholders require improvement. PST to develop and implement a communication strategy that meets the requirements for information from politicians, key government agencies, World Bank and general public.	Refer above
Recommendation 2: During the upcoming period, VIRIP must maintain the pace of procurement to meet the project requirements and improve perception of project performance.	Systemisation has played the largest role in increasing the pace of procurement. We are now conducting a market survey of up to 20 companies which will provide more information on which to further develop the Acquisition Strategies.
Recommendation 3: Application of acquisition strategies will reduce the number of procurements that need to be conducted; reducing the transactional cost of procurement.	VIRIP has begun to apply more advanced acquisition strategies to reduce the transactional cost of conducting procurements. As an example, 4 Activity Proposals with 4 associated procurements were assumed for remediation of 10 public buildings in Pt Vila. These potential 4 procurements will now be

	conducted as 1 procurement. We note there is still more work to be done in this space.
Recommendation 4: PWD should indicate how the Feeder Roads program will be resourced with Consultants and Contractors and effect current commitments.	This has occurred. Feeder Road program to be undertaken principally with Force Account, thus causing no direct impact to VIRIP. However, the involvement of PWD staff in the delivery of the program and the impact on their availability for VIRIP remain a concern.
Recommendation 5: PWD must clarify how the IBCs funded under VIRIP will be supervised and trained.	This has occurred. Refer above.
Recommendation 6: The transitional arrangement with R4D need to be carefully considered as it is likely the transition period will end early and the next phase will be tendered.	Weekly liaison is occurring between the R4D-T team leader and the VIRIP program manager around regular updates and schedules.
Key recommendation from QPR 1 2019 – Jan-Mar 2019	
Recommendation 1: Communication with stakeholders must improve	This has occurred during the period. However, a concerted efforts is required, including social media and press releases.
Recommendation 2: Require greater buy-in from stakeholder for the NDRF, including DSPPAC and NRC.	This will require a strategy from the DRF Consultant with active assistance form the PST.
Recommendation 3: Capitalisation on good progress in safeguards	Exploit opportunities in this area, requiring a strategy agreed leading up to the MTR.

3. Status of Implementation and Key Results

On track 	Slightly behind schedule 	Issues requiring attention 
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VIRIP Quarterly Report Q1, 2019

OBJECTIVES (What you want to achieve)	INDICATORS (How to measure change)	Overall Program Target (2018-2021)	Targets January-December 2018	QUARTERLY PROGRESS (Jan-Mar 2019)	% Progress in QTR	CUMULATIVE ANNUAL PROGRESS	% overall progress
<i>PDO: Reconstruct and improve the disaster and climate resilience of selected public sector assets in provinces affected by TC Pam, and to provide immediate and effective responses to eligible crises and emergencies.</i>	# men and women in target communities with improved pedestrian access	14,000 people (50% men and 50% women)	2,000 people (50% men and women)	A method has been agreed to calculate the population size influenced by the infrastructure enhancements. Data is currently being collected.	10%	As indicated, a method and approach has been agreed and data will be reflected in the next report prior to MTR	10%
	# of users and beneficiaries (both women and men) with access to improved infrastructure	4,600	0 in year 1	Works on schools has commenced and enrolment and teacher records are being sourced through MoET to calculate correct data and information.	10%	Data is currently being collected through the Open VEMIS database within MoET.	10%
<i>Goal: Goal Statement: People in Vanuatu have reliable access to a safe, resilient and environmentally specific infrastructure (built to standards and relevant codes) supported by sound government systems and processes</i>	<ul style="list-style-type: none"> Level of Service (LoS) maintained and enhanced through VIRIP scope of works. Communities and schools report high levels of satisfaction with improved infrastructure. 	LoS score maintained	Average of LoS across the road network	<p>Approach to collect LoS data has been discussed and information will be sourced from R4D/PED in June 2019.</p> <p>Survey currently being developed to capture information now that school repairs have commenced,</p>	10%	Work is progressing and this will be updated in June 2019.	10%

End Outcome 1- Safer and resilient communities using and maintaining improved infrastructure.	# communities establishing formal mechanisms to service and maintain infrastructure.)	70% of communities establish individual groups to maintain infrastructure	15% year-on-year increase in	Survey tool to be developed now that works on roads and school infrastructure has commenced.	0%	Review required of this metric.	0%
End Outcome 2- GoV implementing an institutional framework committed to better emergency response and promotion of community resilience.	<ul style="list-style-type: none"> GoV adopt and implement a reconstruction policy and strategy 	1 policy and strategy implemented	Development of policy and strategy Management meetings around policy and strategy implementation	Submitted, for DSPPAC/PMO, completed Ambae and Affected Islands Recovery Plan to National Recovery Committee (Ambae and Affected Islands Recovery Plan). Led successful DSPPAC+ team preparation and completion of national NDRF inaugural workshop. Prepared NDRF Briefs and preparatory outline of NDRF sourcebook document.	10%	Majority of work to commence in Quarter 1 and 2, 2018 and will be complete by June 2019, after variation to services.	60%
Output 1: Infrastructure Provision 1.1 Road Assets reconstructed and improved	<ul style="list-style-type: none"> #Km of roads maintained annually # physical infrastructure enhancements 	X km 250	0km 60	No works completed during the period, but significant contracts signed and preparation for the tenders, including: Pentecost - Improvement to South Pentecost Road, Epi - West Epi Road Improvements - 800m FRC, Tongoa - Road Improvements, Tanna - Lowiaru-Imafen Road Improvement - 1000m FRC, Ambrym Road Improvements, Paama Road Improvements, Malekula - Road Improvements, Pentecost - Lesa-Lekasubu Road Improvements, Pentecost - Elislis-Loltong Road Improvements (12 x IBC), Tanna - Iatakuay Hill Road Improvements, Tanna - Imake Hill Road Improvements, Improvements to Key Crossings - Bridges and Culverts	8%		43%
1.2 Schools reconstructed to a higher standard	<ul style="list-style-type: none"> # schools repaired and constructed each year. 	40	5	<ul style="list-style-type: none"> Works started on Eton and Ekiye and Etas and Maumau. Packages 6 and 7 require field inspections of Worarana, Makira, Mataso, Vutekai, Lire, Lehili and Luvil schools, prior to tendering. 	12%		47%

				<ul style="list-style-type: none"> The Asbestos Specialist will remobilise in 2019 to train key individuals to sample for asbestos in the remaining schools. 			
1.3 Public buildings reconstructed to a more resilient standard	<ul style="list-style-type: none"> # buildings constructed 	20	3	<ul style="list-style-type: none"> Supervision of Public Building Works has been delayed .PST is seeking approval to vary the supervision of schools contract to include the supervision of public buildings. 	10%		27%
1.4 IBC's able to construct assets and buildings to a higher standard	<ul style="list-style-type: none"> # of IBC contracts signed 	30 contracts	16 contracts	<ul style="list-style-type: none"> 5 additional IBC contracts signed in the March quarter. A total of 13 signed as at the end of March 2019, with an additional 10 "Under Implementation". 	15%	<ul style="list-style-type: none"> Further discussions are required around the possible use of IBCs and how these entities will be engaged and supported through VIRIP 	40%
1.5 Employment opportunities created for women and men and communities as a whole (i.e. labour days)	<ul style="list-style-type: none"> # of men and women gaining appropriate employment 	18,000 days	2,000 days	<ul style="list-style-type: none"> 2500 days (estimated) for works on Tanna and 1600 (estimated) in Pentecost. 4076 days (485 days-women) in Q2 and with 447 days worked in Q1. 	22%	<ul style="list-style-type: none"> During the quarter VIRIP had 3 live road contracts being implemented. Each of these contracts have been labour intensive with Fletchers employing 20 people on average during the period and over 40 on West Epi and Mangaliliu . 18 No. IBC Contracts continued in Penama and Malampa provinces. These contracts are ongoing and average approx. 12 persons employed on each contract each week. 	44%
Output 2: Institutional arrangements 2.1 Key policies and strategies to guide future emergency responses developed	<ul style="list-style-type: none"> Reconstruction policy and strategy developed 	1	Progression of policy and strategy	<ul style="list-style-type: none"> Good progress on DRF during period. However, buy-in from stakeholders required. 	10%	<ul style="list-style-type: none"> Engagement of the Disaster Recovery Framework specialist is complete and started in June 2019 for completion of services, after variation. 	60%
2.2 Safeguards Framework developed and applied	<ul style="list-style-type: none"> Safeguard framework approved 	1 safeguard framework	Safeguards framework	<ul style="list-style-type: none"> 3 Documents comprising the framework (RPS, ESMF & GRM) completed and approved. 	100%	<ul style="list-style-type: none"> Completed. Everything approved and sent to Bank for disclosure 13 March 2018. 	100%
2.3 People engaged and supporting community decision making structures (fewer grievances)	<ul style="list-style-type: none"> % grievances responded to within agreed timeframes 	95% of grievances responded to within timeframes	GRM fully incorporated into all safeguards management documents.	<ul style="list-style-type: none"> GRM sets out mechanism for project including contractors and supervisors Community consultation taking place at initial scoping and onwards. Draft database template created. 	50%	<ul style="list-style-type: none"> No grievances have been recorded, primarily due to the significant levels of stakeholder engagement prior to deployment and also weekly stakeholder meetings throughout implementation of all activities. 	50%

Output 3: Project Management - 3.1 Project finances managed according to both GoV and World Bank guidelines and procedures	<ul style="list-style-type: none"> # of contractors and service contracts approved in each fiscal year. % of variation amounts approved in each fiscal year 	# contracts 10% reduction in year on year contract variations	# contracts x variations per contract year	<ul style="list-style-type: none"> Financial management systems have been established and are operational on the program. 13 Contracts let 5 Variations 	20%	<ul style="list-style-type: none"> Relevant financial management systems have been established and operational. Semester accounts have been audited. 	20%
3.2 Infrastructure contracts managed and supervised in an effective and sustainable manner	<ul style="list-style-type: none"> # of payments released on a quarterly basis #of payments made to contractors and contracts within approved budgets. 	TBC	TBC	<ul style="list-style-type: none"> 51 payments released (services) 35 payments made to contractors 	0%	<ul style="list-style-type: none"> Indicator targets still to be confirmed. 	0%
3.3 Lessons learned and reflection events completed	<ul style="list-style-type: none"> Annual lessons learned and reflection event completed 	5 events	1 per year	<ul style="list-style-type: none"> Lessons learned planned for June 2019 prior to MTR 	0%	<ul style="list-style-type: none"> Discussed and included as part of the overall M&E Plan. 	0%

4. Program Implementation (Narrative Section)

The following sections provide further narrative and evidence of progress towards key outputs and the PDO. The information contained below complements the concise information contained in the results framework above. The purpose is to provide more detailed explanation and analysis of the progress, achievements and challenges in obtaining defined outputs and outcomes in the past quarter.

4.1 Part 1. Road Reconstruction and Improvement

Overall

Part 1 is 43% complete which is approximately where this Part was anticipated as per the 2018 Annual Report. The 2017 Annual Works Plan (AWP) is 62% complete. 2018 AWP is 53% complete and has lagged mainly because of the delay of W1-05-18 Pentecost - Improvement to South Pentecost Road. The 2019 AWP is currently 9%, based upon the Budget Allocation System (BAS), developed by Public Works Department completed in December 2018.

Services

The following consulting services are currently underway or have been completed:

Task Name	Cost	% Complete
Services	\$1,606,177	68%
S1-01-17 Design and Documentation of Roads	\$296,071	68%
S1-02-17 Develop QCM	\$102,071	100%
S1-03-17 Pavement Specialist	\$2,340	100%
S1-04-17 Supervisor for Tanna Works	\$58,305	100%
S1-05-18 Supervision of 2018-2019 Works	\$652,390	50%
S1-06-19 Design and Documentation of Bridges	\$495,000	11%

The value of all Services currently represent 8% of the value of the entire Part. It is expected that the total cost of the Services will marginally increase with addition of the supervision services for 2020 -21 included in the schedule for a total value of Services around 10%.

Design and Documentation of Roads awarded to QCL initially struggled to deliver designs to the appropriate quality. VIRIP has worked with his consultancy to improve its outputs with the recently varied the contract to introduce more effective design management and quality assurance. Development of the Quality Control Manual is complete with training delivered on time. This manual will now provide detailed procedures and forms for contract quality issues. This contract was varied to include the development of a complementing Contractor's Quality Plan (CQP) – Template. The CQP-Template is complete with ongoing delivery of training to local contractors. The Pavement Specialist, who conducted the pavement design for W1-01-17 and W1-02-17, is complete. Services of the supervisor for the Tanna works is now complete. The supervision of 2018-2019 works is well underway and performing satisfactorily. Design services for bridges is almost ready for issuance to the market.

2017 Annual Works Plan

Four items of physical work were identified to be procured during 2017, including:

Task Name	Cost	% Complete
2017 Annual Works Plan	\$3,099,790	62%
W1-01-17 Tanna - King Cross Road Improvement - FRC	\$965,320	68%
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	\$1,971,430	60%
W1-03-17 Malekula - Improvement to Batven Stream (Neramb) Crossing (2 x IBC)	\$76,515	57%
W1-04-17 Malekula - Improvement to Unua 5 Stream (Blacksand) Crossing (2 x IBC)	\$86,525	58%

The first two items of work were contracted prior to the end of 2017, and are now essentially complete. It was subsequently agreed to vary the contract(s) to improve the Isangel Loop Road and

Hospital Road through extension of the same rates and extension of time, subject to approvals. This variation has taken some time. The last two activities in Malekula have been delayed because of design concerns and PWD directed that the design consultants for Part 1 should review the design, scoping and cost estimates prior to implementation by IBC contractors. Works are now underway, albeit slowly with completion due by June 2019.

2018 Annual Works Plan

The 2018 AWP includes eight VIRIP funded works activities.

Task Name	Cost	% Complete
2018 Annual Works Plan	\$5,442,335	53%
W1-05-18 Pentecost - Improvement to South Pentecost Road	\$2,109,561	18%
W1-06-18 Epi - West Epi Road Improvements - 800m FRC	\$542,971	83%
W1-07-18 Tongoa - Road Improvements	\$962,000	50%
W1-08-18 Tanna - Lowiaru-Imafen Road Improvement - 1000m FRC	\$571,181	68%
W1-10-18 Pentecost - Ranwadi Point Coastal Road - Retaining Wall (3 x IBC)	\$122,085	100%
W1-11-18 Pentecost - Ranputor Road Improvements (2 x IBC)	\$85,000	27%
W1-12-18 Pentecost - Vanwoki Hill - 300m FRC (3 x IBC)	\$179,077	100%
W1-13-18 Efate - Mangaliliu Road Improvements - 1100m FRC	\$498,689	80%
W1-14-18 Ambrym Road Improvements	\$181,481	46%
W1-15-18 Paama Road Improvements	\$190,290	46%

All works are either under construction or complete, with the exception of Improvement to South Pentecost Road.

It was agreed to explore undertaking IBC contracts under a prime contract, utilising IBC contractors (as nominated sub-contractors). However, exploring this Prime –IBC procurement arrangement has taken some time, so it was decided to undertake direct IBC contracts for each activity. The Prime-IBC Contracts model may be considered in the 2020 AWP, if funds are available in this Part.

Ranwadi Point Coastal Road - Retaining Wall and W1- 12-18 Pentecost - Vanwoki Hill - 300m FRC are now complete. Cooks Cave was deleted, as the Government is considering the undertaking these works through a Chinese Government-funded loan. As a consequence, it is planned to undertake Ranputor Road Improvement, which is consistent with previous plans by PWD, subject to approval.

The Activity Proposals for Ambrym-Paama works were provided subsequent to a field visit. Works were contracted during the period.

There have been significant delays with the development of the W1-05-18 Pentecost - Improvement to South Pentecost Road which has affected the overall performance of the 2018 AWP. The works are comparatively complex, requiring three design reviews. This is now complete; and the works will be tendered shortly.

The West Epi Road Improvements - Fibre Reinforced Concrete (FRC) has been contracted. Contractor mobilized to site and works are well underway. Similarly, Mangaliliu Road Improvement - 1100m FRC has been contracted and well underway.

2019 Annual Works Plan

Task Name	Cost	% Complete
2019 Annual Works Plan	\$5,738,558	9%
W1-16-19 Malekula - Road Improvements	\$2,326,802	4%
W1-17-19 Pentecost - Lesa-Lekasubu Road Improvements	\$835,308	10%
W1-18-19 Pentecost - Elislis-Loltong Road Improvements (12 x IBC)	\$700,000	23%
W1-19-19 Epi - Epi Drainage Improvements	\$748,000	10%
W1-20-19 Tanna - Iatakuey Hill Road Improvements	\$732,618	10%
W1-20-19 Tanna - Imake Hill Road Improvements	\$395,830	10%

A total of 6 Activities are in the AWP 2019, as developed by PWD in its Annual Works Planning process, completed in December 2018. These activities are subject to approval by the World Bank, however were selected in accordance with the selection criteria with justifications, as outlined in the respective Activity Proposals. All Activities require design and documentation, prior to tendering.

Malekula - Road Improvements is expected to be tendered as one package because of isolation and contiguous nature of the works. Notably, Pentecost - Elislis-Loltong Road Improvements has been issued as 12 x IBC contracts.

Imake Hill Road Improvements was more recently added to the AWP2019 program, after approval by PWD and World Bank. This item of work was a required extension to work zone including Iatakey Hill Road Improvements, however it was packaged separately, to meet the market conditions.

Goods

Task Name	% Complete	Cost
G1-01-18 Purchase of 3 Vehicles	75%	\$105,000

After significant delays, the procurement of the vehicles is complete.

4.2 Part 2: School Reconstruction and Improvement

Overall

Part 2 is 43% complete and generally slower than expectations. Provision of services are generally on track, albeit a delay in contracting the Supervision services. The 2018 Annual Works Plan (AWP) is slightly slower than expected, as a result of delays in procurement and provision of designs and documentation. The 2019 AWP is underway with a large number of activities requiring procurement. As a result of the introduction of resources, systems and new tenderers, it is believed that this program is realistic. However, the Global Program for Safe Schools (GPSS) structural review has resulted in changes to the existing standard drawings for standard classroom which will be problematic for existing contracts and future tenders. The 2020 AWP will generally consist of the most difficult activities with isolated locations, high schools and those schools with unique design requirements.

Services

Task Name	Cost	% Complete
Services	\$646,796	66%
S2-01-17 Survey and Documentation of School Buildings	\$140,000	55%
S2-02-17 Asbestos Specialist	\$79,400	62%
S2-03-17 Land Registration Officer	\$21,682	81%
S2-04-17 Safeguards Officer	\$23,238	89%
S2-05-18 Supervision of 2018-2019 Works	\$382,476	38%

The survey and documentation of school buildings has been contracted and have developed a Strategy for the completion of survey, documentation and limited design for the existing and remaining packages. Their services have been affected by the outcomes of the GPSS review of the standard classroom design. This will require the variation of existing contracts and modification of the existing design for future tenders. The Asbestos Specialist will train local MoET and other staff on the sampling of Asbestos, for visit to all sites. This outcome provides a much more cost effective solution. Supervision of the 2018-2018 Works is well underway and expected to be varied to also supervise the Public Buildings.

VIRIP is now actively working with MoET and their Land Registration Officer to either establish landholder agreements as a formal 'right of use' or lease.

2018 Annual Works Plan

Task Name	Cost	% Complete
2018 Annual Works Plan	\$2,897,810	58%
W2-01-18 Package 1: Efate - Eton and Ekipe	\$609,334	100%
W2-02-18 Package 2: Nguna, Pele and Emau	\$362,000	59%
W2-03-18 Package 3: Efate - Etas, Maumau	\$352,191	86%
W2-04-18 Package 4: Epi - Bonkovio, Lamenu, Akama, Mafilau	\$619,000	46%
W2-05-18 Package 5: Efate - Nuakwanapu, Greenhill and Nakuskasaru	\$314,285	46%
W2-06-18 Package 6: Shepherds - Senecol, Coconak, Worarana, Makira and Mataso	\$398,000	34%
W2-07-18 Package 7: Paama - Vutekai, Lire, Lehili and Luvil	\$243,000	34%

Procurement on the first five packages of works is now proceeding through procurement. Package 1 was contracted and has served as the test case. Package 3 was issued to the market and now contracted. Packages 2 and 4 are out to the market place. Packages 5 has been inspected and land use agreement are now being finalized. Packages 6 and 7 require field inspections of Worarana, Makira, Mataso, Vutekai, Lire, Lehili and Luvil schools during early next quarter, prior to issuance for quotation. This will occur with the engagement of the Survey and Documentation Consultant.

2019 Annual Works Plan

Task Name	Cost	% Complete
2019 Annual Works Plan	\$6,137,857	10%
W2-08-19 Package 8: Tongoa - Malawia, Ere, Nottage, Itakuma and Naworaone	\$495,000	19%
W2-09-19 Package 9: Efate - Kawenu	\$342,857	10%
W2-10-19 Package 10: Malekula - Lonvat Junior High School	\$1,800,000	7%

Package 8 has been issued for tender. Other Packages require field inspections, prior to tendering. This will now occur with the engagement of the Survey and Documentation Consultant.

4.3 Part 3 - Public Building Reconstruction and Improvement

Overall

Part 3 is 27% after a very slow start. DSPPAC has been actively involved during the period with Survey and Documentation of Public Buildings (Kramer Ausenco Ltd (Kramers)) and provided direction on how to proceed. The most evident problem and delay was that most of the buildings on the list provided by DSPPAC have now been repaired and in some cases re-purposed or permanently abandoned. As such, with the assistance from VIRIP, DSPPAC issued a new expression interest to Ministries and Departments for repairs and improvements of buildings for funding under VIRIP. Submissions have been returned and are currently being inspected and investigated for further short-listing. This compiled list is now being described in a Strategic document for Part 3, including inspection schedule and program for delivery of technical packages, ready for tender.

Services

Task Name	Cost	% Complete
Services	\$544,381	50%
S3-01-18 Survey and Documentation of Public Buildings	\$161,905	84%
S3-02-18 Supervision of Public Building Works	\$382,476	34%

Kramers' have continued inspections of compiled public buildings throughout the project area. Other public buildings in the outer islands that may meet the selection criteria are being inspected and activity proposals will be subsequently developed. Supervision of the public buildings may be augmented with the services of the supervision of the school buildings. This will be subject to World

Bank approval; otherwise, the services must be issued to the market and may affect supervision of the first package of works.

2018 Annual Works Plan

Task Name	Cost	% Complete
2018 Annual Works Plan	\$811,651	58%
W3-01-18 Package 1: Catering Building	\$43,301	61%
W3-02-18 Package 2: Remediation of Public Building in Port Vila	\$768,350	55%

Catering Building is currently under contract with repairs underway. Package 2 is out for tender. Initial packages of works are expected to be the simple works, requiring minimal design and documentation and represent minimal risk. Those works requiring more specialized design and construction with higher risk will be undertaken thereafter. Similar to Part 2, the works will geocentrically expand from Efate to encourage contractors to address increasing logistic matters and risks associated working remotely from Efate.

2019 Annual Works Plan

Task Name	Cost	% Complete
2019 Annual Works Plan	\$3,414,000	5%
W3-03-18 Package 3: METEO and PWD Buildings	\$1,257,000	8%
W3-04-19 Package 4: Ministry of Health Buildings - Erromango	\$957,000	4%
W3-05-19 Package 5: Public Buildings	\$600,000	0%
W3-06-19 Package 6: Public Buildings	\$600,000	0%

Four packages of works are anticipated for 2019. The first package of works is currently out to the market. The second package will be issued, once the safeguard issues are confirmed with finalisation of the design of the facilities. Subsequent works will generally be in the outer islands. These works are expected to be more complex, because of the remote nature and logistical problems with servicing a remote site and requiring more specialized design and construction. The works will generally be packaged into of higher value works to increase efficiencies. Those works with higher risk will be undertaken thereafter.

4.4 Part 4 – Project Implementation and Technical Support

Task Name	Cost	% Complete
S4-01-16 Project Manager/Coordinator	\$1,122,200	55%
S4-02-17 Safeguard Specialist	\$612,070	76%
S4-03-17 Procurement Specialist	\$17,589	100%
S4-04-17 Project Accountant	\$132,157	63%
S4-05-17 Monitoring and Evaluation Specialist	\$197,900	89%
S4-06-17 Procurement Specialist	\$519,780	77%
S4-07-18 Contracts Manager	\$417,040	32%
S4-08-18 Procurement Officer	\$54,000	36%
S4-09-18 Junior Accountant	\$51,000	28%
S4-10-18 DRF International Consultant	\$197,200	81%

The PST has a full complement of key staff with the mobilization of the Contracts Manager in October 2018. Ancillary staff were requested by PWD to take up the incremental workload imposed by VIRIP on PWD, notably procurement and finance functions. As such, a Procurement Officer and Junior Accountant were recruited last 2018. These positions are generally working satisfactorily.

Performance Reviews were undertaken for all PST staff who had completed approximately 12 months, which also included a review of the current terms of reference for each assignment. The PST was requested to assist with the securing of a Design and Supervision Consultant for the World Bank-funded Vanuatu Climate Resilience Transport Project (VC RTP). The PST determined that it has limited capability to assist with the project preparation of VC RTP. The services of a part-time Procurement Specialist have occurred to focus this assistance and mitigate any impacts on VIRIP.

4.5 Programme

A detailed Works Programme has been included in Appendix 1

Current completion

The current physical and financial completion is shown below:

Practical Completion	Time Completion	Disbursements	Financial Commitment	Financial Expenditure
45%	44%		12%	7%

Practical completion is analysed by MS Project, across all project Parts and is the percentage of tasks and activities practically complete by the date of the report. It is apparent at this stage, that the project will meet the originally anticipated practical completion. However, given the high concentration of procurement, financial commitments and expenditure will lag. Notwithstanding, the projections indicate the project will be tracking well by the mid-term review which is expected by August 2019.

Time completion is based on the date of the report and the following project dates: (i) Effective Date of Project 30 October 2016 and (ii) Project Closing Date: 30 April 2022. Based on current projections and expected absorptive capacities, it is expected that the project will be completed around 8 months ahead of the Project Closing Date. The breakdown of the practical completion for each Part is shown in the graph below:

Task Name	Practical Completion
Vanuatu Infrastructure Reconstruction and Improvement Project	45%
Part 1: Road Reconstruction and Improvement	43%
Part 2: School Reconstruction and Improvement	47%
Part 3: Public Building Reconstruction and Improvement	27%
Part 4: Project Implementation and Technical Support	57%
Institutional	46%

All Parts are generally proceeding well, with practical completions in line with the time projections. However, it can be seen that Part 3 is still behind the overall schedule and compared to practical completion of other Parts. A concerted effort has been made to raise the progress to bring this Part back onto schedule.

Resources

During the September Mission, the World Bank indicated that the key resources needed review including: consultants/contractors, MIPU, PWD and PST. In response, the VIRIP PST undertook a rapid assessment of the absorptive capacity of the local contracting market and resources within MIPU, PWD and PST. At this stage, we believe we have adequate resources across all types to complete the project on budget and schedule.

4.6 Institutional Stream

The inclusion of an institutional stream to the program occurred following in-depth internal consultations and discussions amongst the Stakeholders and PST team. The rationale for the inclusion of institutional elements was that effective long-term recovery strategies cannot be developed, applied and utilised without some level of support to strengthen existing systems, support enhancements and recommend possible changes.

Consultations with relevant GoV agencies and members through the PIC do suggest that support is welcomed but preference is also given to work that seeks to support and strengthen systems and process that facilitate better response mechanisms to future disasters and natural events.

The main focus of the institutional stream is the development of the National Disaster Recovery Framework (NDRF) and the preceding Ambae Recovery Plan. Principal outputs for the quarter are in summary:

- Submitted, for DSPPAC/PMO, completed Ambae and Affected Islands Recovery Plan to National Recovery Committee (Ambae and Affected Islands Recovery Plan).
- Led successful DSPPAC+ team preparation and completion of national NDRF inaugural workshop.
- Prepared NDRF Briefs and preparatory outline of NDRF sourcebook document.

It is expected that the outcomes of the NDRF that will prompt recommendations for the upcoming Mid-Term Review in August 2019.

4.7 Project Management

The PST has spent considerable effort and time developing a range of standard operating procedures for the project. These procedures include: (i) Project Operations Manual (POM); (ii) Safeguards Manual (SM). Compendium of documents consisting of; Resettlement Policy Framework (RPF), Grievance Handling Redress Mechanism (GRM) and Environmental and Social Management Framework (ESMF); (iii) Procurement Manual (PM). Consisting of the Public Works Department's Procurement Manual with the VIRIP Procurement Supplement; (iv) Financial Management Procedures; (v) Contract Administration Manual (CAM)*; (vi) Quality Control Manual (QCM)*; (vii) Monitoring and Evaluation Plan (M&E Plan); (viii) Operations Manual* (OM); (ix) Contingency Emergency Response Component (CERC); (x) Template Contractor's Quality Plan (CQP); (xi) Model Contractors Environmental and Social Management Plan (CESMP) *

The PST is currently reviewing that manuals indicated with a * which is expected to continue until August 2019, when they will be re-issued.

4.8 Financial Management and Performance

In Quarter 1, 2019 the World Bank disbursed to the Designated Account held with the Reserve Bank a total of Vt.251,193,169 of which Vt.98,881,654 is Grant and Vt.152,311,515 is Credit respectively. These amounts were allocated into the four different parts of VIRIP namely – Roads, Schools, Public Buildings and Project implementation.

VIRIP Works Program and Budget

The Budget for VIRIP for the Works Program to date stands at Vt.1.9 billion, that is contracts that have approved and signed. This budget includes all the projects that are link with the Department of Public Works program in 2017, 2018 and 2019. It should be noted that in the PWD annual works program there are many projects that are still being scoped, developed and prioritised for all parts – roads, schools and public buildings.

The process is that there is no cost associated with a project unless it follows the above process and approved by World Bank. It is envisaged that the project budget will increase further when all the other projects documentation is completed including scoping and activity proposals and cost are approved. To date, the budget expedited stands at Vt.614.4 million or 12% of the total financing budgetⁱ.

Disbursement

To date, the total financing disbursed stands at Vt.984.1 million. In 2017 and 2018, there were four disbursements from the World Bank. In Q1 2019, there were five disbursements by the World Bank. In total, there were nine disbursements that is five withdrawals under the grant facility and four withdrawals under the Credit facility.

The current cash flow is positive and the balance is always between Vt.60 million and Vt.90 million before another withdrawal is lodged in the client connection. Loan withdrawals is associated to the rate of outflows (expenditures).

Expenditures Q1

In Quarter 1, 2019 the expenditure stood at Vt.83.8 million. The main expenditure was attributed to roads which consumed Vt.67.3 million, schools at Vt.10.6 million, Public Buildings Vt.1.5 million and Project Implementation & Technical Support with Vt.4.8 million. The expenditure for Q1 is low and is attributed to several factors: (i) procurement is slow; (ii) expenditures journal to the general ledger. This is a systematic process of the Smart Stream, where all expenditures are recorded from the general ledger; and (iii) contracts mobilisation is very slow which lead to invoices coming late.

The expenditure from public buildings is very low and this is attributed to design and supervision. However, the outcome of the design shows package 1 and 2 of 2018 buildings contracts approved for RNGO Eden construction for the catering building and MA Builders buildings in Port Vila damaged by TC Pam. The cost of both contracts are Vt.4.5 million and Vt. 80.7 million respectively. Therefore, in Q2 and Q3 will see some sizable expenditures in part 3 of the project.

Overall, the performance for the Q1, 2019 is much better compared to the same period in 2018 and this is because most of the projects are still in the assessment and discussion stage except the Kings Cross Road on Tanna. In Q1 2018, the major expenditure was Vt.18 million from roads especially to Downer.

Expenditure to Date

The expenditure for 2018 fiscal year stood at Vt.460.4 million, that includes Vt.312.8 million on roads, Vt. 15.7 million on school, Vt.13.2 million on Public Buildings and VT.118.8 million on Project Implementation and Technical Support. The 2018 expenditures will be later audited by Law Partners, the accounting firm approved by the Auditor General's Office that should be done in May 2019. The 2017 audited expenditures coupled with 2018 unaudited expenditures showed a total expenditure of Vt.531 million. To date, total actual expenditure under VIRIP stood at Vt. 614.3 million. This includes expenditure for the previous two years (2017 and 2018) and Q1, 2019.

Commitments

The outstanding commitments for 2019 stands at Vt.725.2 million. This includes all contracts signed excluding incremental operating costs. The commitments will be reduced conditional to how fast the contractors mobilised and executing contract obligations according to the agreed timeframe. Supervision would be the trigger to ensure that works are done and audit on sites before tax invoice is provided for payment.

Works Program

The VIRIP works program is divided into different years – 2017, 2018, and 2019 associated to the works annual program. It should be noted that the 2017 works contractors and service contracts for project management, design and supervision have been signed. The Kings Cross Road Bitumen and Kings Cross Road - FRC are completed. However, two works contracts schedule for 2017 namely the Unua and Batven roads (Malekula) have been signed in 2019 and implementation is in progress.

About 16% contracts signed under the 2018 works program (roads, schools and public buildings) and contractors have either mobilised to sites or preparing for mobilisation. Other projects programmed for 2018 are still in the development stages particularly for scoping, development of activity proposals, design and the procurement.

Vehicles

The purchase of vehicles was secured with Carpenter Motors and were released in early April 2019. Furthermore, the contract was later varied which brings the total to four vehicles. Three vehicles will be shipped to three islands particularly Tanna, Pentecost and Malekula. The cost of all vehicles was about Vt. 12.4 million. The fourth vehicle will be used by the Director of PWD.

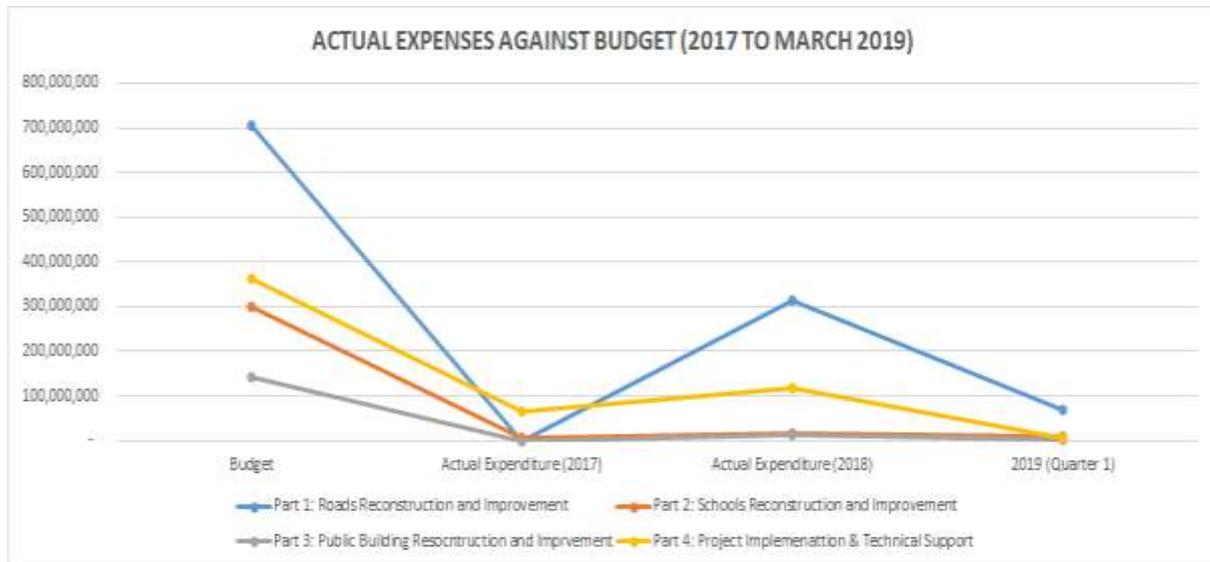


Figure 1: Expenditure against budget to date (by component)

The Outstanding Commitments to date stands at Vt.616,037,235. This includes TA and Works Contract as shown by different Parts of VIRIP in the Table below.

Parts	Job Code	Job Code Name	Contractors and Service Contractors	Outstanding (VT)	Status
Part 1	VRAA001	Kings Cross Concrete Pavement – FRC Tanna	Fletchers	0	Completed
	VRAA002	Kings Cross Road Improvement – Bitumen Tanna	Downer	0	Completed
	VRAA005	Qualao Consulting - Supervision	Qualao Consulting	3,550,000	
	VRAA006	Ranwadi Point Road, Central Pentecost	IBC		0 Completed
	VRAA008	Vanwoki Hill Road Improvement - Pentecost	IBC		0 Completed
	VRAA009	West Epi Road	Island Construction	57,011,994	
	VRAA011	Mangaliliu Road, Efate	Pierre Brunet	14,913,753	
	VRAA017	Supervision of Roads 2018 to 2020	Bi - Consulting	49,634,926	
	VRAA015	Lowiaru-Imafen Road Improvement - 1000m FRC	Pierre Brunet	86,374,000	
	VRAA007	Ranbuto Rd Improvement	IBC	8,610,000	
	VRAA014	Four Vehicles	Carpenter Motors		0 Completed
	VRAA003	Batven Stream - Malekula	IBC	8,034,066	
	VRAA004	Unua Stream - Malekula	IBC	9,085,108	
	VRAA022	Elisilis Rd - Pentecost	IBC	49,121,730	
				286,335,577	
Part 2	VRAB002	Schools Assessment and Asbestos	TA	4,900,927	
	VRAB003	Eton and Ekiye Schools	Island Construction	41,913,915	
	VRAB002	Land Registration Officer	TA	620,384	
	VRAB011	Kramer Ausenco	Design of Schools	35,490,000	
	VRAB001	Cyril Mainguy	Supervision of Schools	39,784,750	
	VRAB007	MA Builders	Tonga Schools	55,660,237	
	VRAB006	Kilson Homes Construction	Epi Schools	57,160,440	
	VRAB005	ATOM Construction	Etas and Maumau School	36,980,000	
			272,510,653		
Part 3	VRAC008	Survey and Documentation of Public Building - Kramer	Design of Public Buildings	2,317,000	
	VRAC001	RN GO EDEN Construction	Catering Building	4,546,588	
	VRAC002	MA Builders	Public Building on Efate	80,676,530	
	VRAC003	Fletchers Company	Meteo and MIPU Building	40,616,639	
			128,156,757		
Part 4	VRAD001	Project Implementation and Technical Support	TA	183,219,898	
Total			870,222,885		

Table 1 below shows the Total Budget Distribution for the different components of the Project.

PARTS	Description	Total Budget 5 Yrs. (USD)	Total VIRIP Budget	Actual Budget 2017 (VUV)	Budget 2018 (VUV)	Budget 2019 (VUV)	Budget 2020 (VUV)	Budget 2021 (VUV)
1	Roads Reconstruction and Improvement	23,769,610	2,495,809,058	253,531	615,024,060	1,033,453,905	515,417,197	331,660,365
2	Schools Reconstruction and Improvement	13,000,000	1,361,671,500	5,622,123	229,365,990	151,993,155	536,640,052	438,050,180
3	Public Building	6,500,000	682,499,999	0	201,600,000	315,000,000	160,650,000	5,249,999
4	Project Implementation and Technical Support	4,203,365	441,353,371	51,911,781	143,299,688	124,941,188	96,972,248	24,228,466
	Total5	47,472,976	4,981,333,929	57,787,436	1,189,289,738	1,625,388,248	1,309,679,497	799,189,010

These budget estimates are subject to review yearly to arrive at the right costings of each project activity for roads, schools and public buildings. Amounts in the Table above are in Local Currency Vatu (VT.105 = USD1) and is subject to change. The above budget is inclusive of 5% contingencies and taxes.

Budget for Signed Contract

The activities that have been approved and contracted are shown by Part in the table below.

Parts	Description	Vatu	USD
Part 1	Roads Reconstruction and Improvement		
	(a) S1-01-17 Design and Document of Roads	20,527,500	195,500
	(b) S1-02-17 Develop QCM	5,892,600	56,120
	(c) S1-04-17 Supervision of Tanna Works	8,452,500	80,500
	(d) S1-05-18 Supervision of 2018 – 2019 Works	42,945,000	409,000
	(e) W1-01-17 Tanna Kings Cross Road Improvement -FRC	87,865,470	836,814
	(f) W1-02-17 Tanna Kings Cross Road Improvement - Bitumen	198,938,040	1,894,648
	(g) W1-03-17 Malekula – Improvement to Batven Stream (Neramb) crossing (IBC)	5,250,000	50,000
	(h) W1-04-17 Malekula –Improvement to Unua (Blacksand) Crossing (IBC)	5,250,000	50,000
	(i) W1-06-18 Epi – West Epi Road Improvement – 800 m FRC	96,180,000	916,000
	(j) W1-07-18 Tongoa – Road Improvements – 1000m FRC	103,950,000	990,000
	(k) W1-10-18 Pentecost – Ranwadi Point Coastal Road – Retaining Wall (IBC)	14,437,500	137,500
	(l) W1-11-18 Pentecost – Ranbuto Rd Improvement (IBC)	8,610,000	82,000
	(m) W1-12-18 Pentecost – Vanwoki Hill – 300m FRC	15,612,450	148,690
	(n) Mangaliliu Road	52,362,300	498,689
	(o) Elislis Rod - Pentecost	49,121,730	467,826
	(p) Vehicles – Tanna, Pentecost and Malekula	11,025,000	105,000
		726,420,090	6,918,287
Part 2	Schools Reconstruction and Improvement		
	(a) W2-01-18 Package 1: Efate – Eton and Ekipe	40,320,000	384,000
	(b) W2-02-18 Package 2: Nguna, Pele and Ermau	27,510,000	262,000
	(c) W2-03-18 Package 3: Efate – Etas, Maumau and Kawenu	49,560,000	472,000
	(d) W2-03-18 Package 4: Epi – Bonkovio, Lameru, Akama and Mafilau	43,680,000	416,000
	(e) S2-02-17 Asbestos Specialist	4,011,000	38,200
	(f) S2-03-17 Land Registration Officer	4,200,000	40,000
	(g) S2-04-17 Safeguards Officer	2,439,990	23,238
	(h) S2-01-17 Survey and Documentation of School Buildings	14,700,000	140,000
	(i) S2-05-18 Supervision of 2018 – 2019 Works	42,945,000	409,000
	(j) W2-05-18 Tongoa Schools – Malawia, Ere, Nottage, Itakuma and Naworaine	66,312,645	631,549
		295,678,635	2,815,987
Part 3	Public Buildings		
	(a) S3-01-18 Survey and Documentation of Public Buildings	17,850,000	170,000
	(b) W3-01-18 Package 1: Public Buildings	4,546,588	43,300
	(c) W3-02-18 Package 2: Public Buildings	80,676,530	768,348
	(d) W3-03-18 Package 3: Public Buildings	40,616,639	386,825
		143,689,757	1,368,473
Part 4	Other		
	(a) P5T	91,541,188	871,821
	(b) Project Vehicles	15,758,500	150,000
	(c) Project Operating Cost	15,000,000	142,857
	(d) Annual Project Audits	1,000,000	9,524
	(e) Sustainable Maintenance	10,000,000	95,238
	(f) Training and Capacity Building	10,000,000	95,238
		143,299,688	1,364,678
	Description	Vatu	USD
	Total Budget for 2018	1,309,088,170	12,467,425

Foreign Exchange rate is 105 (VUV/USD)

4.9 Safeguards

The Safeguards Specialist (SS) developed and completed seven screening forms over the quarter with others prepared to draft at the end of the quarter. Several of these forms required to be revised and updated in line with ongoing design changes. An additional screening form was completed by the Schools design consultant as part of the SS approach to build capacity of consultants.

In addition to these screening forms, a total of five Environmental and Social Management Plans were completed for inclusion within tender documents. This work required several revisions including a site visit to the South Pentecost roadworks due to scope and design changes.

Draft template ESMPs were also worked on and largely completed with the Public Buildings and Schools design consultants. These templates are essentially standardised documents with changes now only required to key parts in order to ensure they meet the differences in sub project conditions and specific requirements.

Five Contractor ESMPs (CESMPs) were completed and approved by the SS, with one CESMP being rejected outright and an acceptable version resubmitted by the contractor.

All templates or standardised ESMPs are still being refined to minimise the type of user errors typically encountered with standardised documents. The documents are being expanded with further detail added in some parts based on feedback from contract implementation. These standardised documents are on track to be completed in Q2.

In terms of capacity building, SS gave a presentation on VIRIP safeguards systems at all pre-tender meetings for schools and roads packages and the SS or Safeguards Officer is attending all initial prestart meetings (a recent initiative by the Contracts Manager) to set expectations with Contractors. In addition, the SS met with all contract supervisors to set out requirements for supervision of safeguards. At the request of the PWD Senior Safeguards Officer, the SS ran a half day training session on safeguards and environmental permit system for all PWD Community Participation Officers presentations help to raise the need for safeguards management with contractors (and potential contractors) at the earliest possible stage of the project process.

Community meetings take place on a monthly basis on all active contracts with weekly meetings held with a community nominated Community Representative. Joint Community-Contractor induction workshops were run for the Eton, Ekiye, Etas and Maumau school communities. These joint sessions allow communities to understand what is required of contractors (and vice versa).

R4D has started work on drafting some selected codes of environmental practice. Focused on PWD roading needs, these will need to be adapted for wider use under VIRIP.

In terms of safeguards resourcing, the strategy of combining this with capacity building of local consultants is beginning to show results. Under Parts 2 & 3, the design consultants are now developing draft safeguards screening forms and ESMPs which are then reviewed and approved by the SS. Additionally, the supervision consultants are taking greater responsibility for enforcement of safeguards requirements and it is pleasing to see them taking a leading role in the joint Community-Contractor site induction meetings referred to above.

4.10 Procurement

First quarter has seen Procurement concentrate upon execution of contracts; including resolution of some longstanding delayed procurements. The activities include:

- Update of the Annual Procurement Plan to 55 activities through the Bank STEP system
- Publication of the VIRIP Procurement Plan on the VIRIP website, with monthly updates.
- Publication of “awarded contracts” on the VIRIP website, with monthly updates.
- Introduction of the concept of Acquisition Planning to speed up and minimise the cost of conducting procurement.

During this quarter VIRIP executed 16 contracts and began to contract a further 4 contracts.

Contracts established or amended in the March 2019 quarter are detailed in the table below:

Contract Name	Contract Signature Date	Initial Expiry Date	Contractor	Contract Value
Remediation of Public Buildings in Pt Vila Area - Package 2	2019/03/18	13-12-19	MA Builders	\$713,952
Schools Package 4: Epi Island, Bonkovio, Lamenu, Akama, and Mafilau Primary Schools	2019/03/04	29-11-19	Kilson's Home Construction	\$505,853
Procurement of 3 Project Vehicles for Project Implementation and Technical Support	2019/03/04	03-05-19	Carpenter Motors	\$83,655
Malekula IBC IW Construction of 4 Cell Box Culvert - Tembibi Stream	2019/01/10	10-04-19	Malekula Timber	\$42,365
Paama Road Improvements - Lironessa Hill - 180M FRC - IBC 1	2019/03/25	23-06-19	Malekula Timber	\$44,048
Ambrym Road Improvement - 80M FRC Sesivi - IBC 3	2019/03/25	23-06-19	Kellen Construction	\$44,244
Paama Road Improvements - Tavie Hill 1 - 180 M FRC IBC 3	2019/03/25	23-06-19	Malekula Timber	\$43,439
Abrym Road Improvements - 80M FRC Sesivi - IBC1	2019/03/25	23-06-19	Kellen Construction	\$44,222
Ambrym Road Improvement - 80M FRC Sesivi - IBC 2	2019/03/25	23-06-19	Kellen Construction	\$44,206
Ambrym Road Improvement - 240M Concrete Drain - Sesivi - IBC 4	2019/03/25	23-06-19	Kellen Construction	\$44,214
Paama Road Improvements - Fiong Hill - 180 M FRC - IBC 2	2019/03/25	23-06-19	Malekula Timber	\$44,033
Paama Road Improvements - Tavie Hill2 - 180 M FRC - IBC 4	2019/03/25	23-06-19	Malekula Timber	\$44,033

Contract Name	Contract Signature Date	Initial Expiry Date	Contractor	Contract Value
Malekula - Install gabions and Reinforce Culvert - Tembibi Stream	2019/01/10	10-04-19	Malekula Timber	\$38,035
Pentecost - Improve Resilience of Bay Omo to Ranputor Road with FRC & drainage - IBC1	2019/03/12	10-07-19	Pointwan Construction Ltd	\$37,860
Pentecost - Improve resilience of Bay Omo to Ranputor Road with FRC & drainage - IBC2	2019/03/12	10-07-19	Panbilly Construction	\$38,161
Survey and Documentation of School Buildings	2019/03/12	10-11-19	Kramer Ausenco (Vanuatu) Ltd	\$314,071

Procurements begun (or continued) during the March quarter that are yet to reach contract execution are detailed in the table below:

Procurement Name	Progress	Expected Contract Value
Schools - Package 2 - Construction of School Buildings at Nguna, Pele, and Emau	Evaluation underway	USD 362,000
Schools Package 8: Construction of School Buildings at Malawia, Ere, Nottage, and Nawaraone Primary Schools, Tongoa Island	Evaluation underway	USD 493,000
Supervision of Public Buildings	Amending Contract Variation	USD 355,000
METEO and MIPU Buildings	In the market	USD 359,000

All VIRIP procurement is being conducted through VIRIP PST staff. Evaluation Panels for the Roads, Schools and Public Buildings involve the relevant government departments directly in procurement decision making. Departmental staff are supplemented by local consultants in 2 of the 3 panels to strengthen technical (engineering) expertise and to assist in achieving a quorum; this will continue whilst GoV departments working with VIRIP maintain their current organisation structures. The ni-Van Procurement Officer continues to be developed. To date she has been exposed to; procurement using the ITQ process including, pre-quotation briefing, evaluation of procurements, record maintenance, negotiation, contract execution, and debriefing of unsuccessful companies. In the June 2019 quarter her development will focus upon all the pre-evaluation stages of the procurement cycle. Procurement training and will continue through to the end of 2019.

The status of each procurement outlined in the submitted 2019 Annual Procurement Plan (including residual 2017 and 2018 plan procurements) is provided in Appendix 2.

5. Risk Management and Key Lessons Learned

A risk analysis has been made to identify some key lessons learned during the first two years of implementation. The intention is not to criticise and make judgements but rather to reflect on the key learnings from a strategic, technical and operational perspective. The following lessons have been discussed and prioritised among the PST. In documenting lessons, the PST is also seeking to identify strategies to replicate good lessons or mitigate potential negative lessons.

Strategic

Key Lessons	Strategies to Replicate and/or Mitigate
Engagement with GoV counterparts and working through locally-led governance mechanisms such as the PIC is of utmost strategic importance.	Need to continue to reinforce the importance of the PIC and governance mechanism as a means not only as an approval body but one that provides strategic engagement and support.
The importance of building on what R4D has already done within PWD where possible.	Learn from R4D, for example using IBCs where sensible.
Alignment of program objectives and approaches to existing systems and processes and to avoid d establishment of establishing parallel systems	Where possible, harmonise the systems for VIRIP with other development partners.
Need to maintain open and positive engagement with World Bank teams to utilise knowledge and experience, particularly for strategic components such as finance and procurement	PST has established close communication with the relevant specifics and engaged around.
The lack of capacity within MIPU/PWD to implement VIRIP has a significant influence on the ability of the program to meet targets and work-plan priorities.	Continue to work with MIPU/PWD to rationalise roles and functions to ensure effective management. Where incremental support is needed, this shall be reviewed.
Perceived lack of cohesion within project implementation.	Seek continued leadership and direction from MIPU/PWD management and encourage ownership at all levels of management.

Technical

Key Lessons	Strategies to Replicate and/or Mitigate
Need to find productive ways to work with PWD in order to expedite procurement.	Developing a standing Evaluation Panel for Roads.
Key safeguards framework documents don't reflect country and project specific needs – for example the system of land ownership and compensation is already in place for infrastructure development.	Rewrite and restructure documents to more accurately reflect and set out mechanisms for safeguards and compensation.

Asbestos sampling is a critical component of any infrastructure based work in Vanuatu.	As outlined in the EMSF, due to wide range of building types and ages, sampling to take place at all selected schools and public buildings.
Important to ensure program targets, and indicators (even when designed previously) need to always align to relevant GoV policies and strategies.	Continued meetings and discussions with key stakeholders, including DSPPAC, to ensure alignment.

Operational

Key Lessons	Strategies to Replicate and/or Mitigate
Clear lines of communication, involving approvals and work programs should be maintained so as to enable VIRIP to respond to exiting priorities but also address new and emerging opportunities.	PST to maintain close consultation with GoV and World Bank representatives.

6. Conclusions and Recommendations for the Period

VIRIP continues to operate within MIPU and maintaining and building relationships with key stakeholders, namely PWD, MoET and DSPPAC. Works have commenced for both road infrastructure enhancements and repairs to schools and public buildings. Good progress has been realised in the quarter.

The PST will continue to place a strong emphasis on institutional enhancements and promotion of local leadership and oversight of all aspects of the program. Institutional support to NRC and DSPPAC continues, however, further buy-in is required for the development of the NDRF. It is pleasing to see that growing strength of the institutional component in supporting the broader works program. The focus on institutional efforts establishes a firm base for the long-term development of resilience functions and supports the core function and mandate of the program.

The operating context within PWD does remain challenging along the issue of capacity constraints and vacant positions. Compounding the situation is the transition of the R4D program to a new managing contractor in the next quarter which may delay some works but the PST is confident the disruption will be short-term.

Engagement with the World Bank and PIC remains positive. The governance structure of the program needs to be strengthened and the PIC engaged to hold more formal meetings. Individual meetings and relationships with PIC members are positive but this needs to occur as a collective group.

Procurement still faces a backlog as a result of delayed planning, design and documentation. This needs to be addressed, particularly the mobilisation of evaluation committees so ensures smooth transition from procurement into the contract management.

Financial management continues and work is progressing with safeguards and procurement. Training of the VIRIP Procurement Officer will continue. Additional support is also required around the Step system, and it is understood that the Bank will provide some on-site training.

In progressing work, the PST has identified a number of recommendations from the first quarter of the year. These recommendations provide a basis for further consultation and engagement and will be

tracked and updated during the course of the next reporting period. These recommendations do build upon the recommendations provided in the annual report. Key recommendations for the quarter include:

Recommendation 1: Communication with stakeholders must improve. This has occurred during the period. However, a concerted efforts is required, including social media and press releases.

Recommendation 2: Require greater buy-in from stakeholder for the NDRF, including DSPPAC and NRC. This will require a strategy from the DRF Consultant with active assistance form the PST.

Recommendation 3: Capitalisation on good progress in safeguards. Exploit opportunities in this area, requiring a strategy agreed leading up to the MTR.

Appendix 1: Works Program

190331 Works Programme - Implementation and Procurement + Baseline																	
ID	Task Name	Duration	Start	Finish	Cost	% Complete	2017		2018		2019		2020		2021		
							H2	H1	H2	H1	H2	H1	H2	H1	H2		
1	Vanuatu Infrastructure Reconstruction and Improvement Project	1682.42 days	Fri 1/07/16	Thu 29/09/22	\$48,300,291	45%											
2	Part 1: Road Reconstruction and Improvement	1480.1 days	Mon 3/04/17	Thu 29/09/22	\$25,491,860	43%											
3	Services	758.06 days	Mon 1/05/17	Fri 21/02/20	\$1,606,177	68%											
4	S1-01-17 Design and Documentation of Roads	560 days	Mon 2/10/17	Wed 30/10/19	\$296,071	68%											
14	S1-02-17 Develop QCM	370.71 days	Fri 1/09/17	Thu 17/01/19	\$102,071	100%											
23	S1-03-17 Pavement Specialist	77 days	Mon 1/05/17	Fri 11/08/17	\$2,340	100%											
30	S1-04-17 Supervisor for Tanna Works	378.65 days	Thu 1/06/17	Fri 26/10/18	\$58,305	100%											
39	S1-05-18 Supervision of 2018-2019 Works	570.19 days	Wed 10/01/18	Fri 21/02/20	\$652,390	50%											
49	S1-06-19 Design and Documentation of Bridges	197 days	Fri 1/03/19	Fri 22/11/19	\$495,000	11%											
59	2017 Annual Works Plan	851 days	Mon 3/04/17	Fri 29/05/20	\$3,099,790	62%											
60	W1-01-17 Tanna - King Cross Road Improvement - FRC	551 days	Mon 15/05/17	Thu 30/05/19	\$965,320	68%											
75	W1-02-17 Tanna - King Cross Road Improvement - Bitum	851 days	Mon 3/04/17	Fri 29/05/20	\$1,971,430	60%											
93	W1-03-17 Malekula - Improvement to Batven Stream (Neramb) Crossing (2 x IBC)	453.42 days	Mon 30/10/17	Fri 5/07/19	\$76,515	57%											
106	W1-04-17 Malekula - Improvement to Unua 5 Stream (Blacksand) Crossing (2 x IBC)	453.42 days	Mon 30/10/17	Fri 5/07/19	\$86,525	58%											
119	2018 Annual Works Plan	1028.35 days	Mon 30/10/17	Tue 24/08/21	\$5,442,335	53%											
120	W1-05-18 Pentecost - Improvement to South Pentecost Road	889 days	Mon 7/05/18	Tue 24/08/21	\$2,109,561	18%											
138	W1-06-18 Epi - West Epi Road Improvements - 800m FRC	377 days	Mon 22/01/18	Mon 17/06/19	\$542,971	83%											
152	W1-07-18 Tongoa - Road Improvements	487 days	Mon 5/02/18	Tue 26/11/19	\$962,000	50%											
166	W1-08-18 Tanna - Lowiaru-Imafen Road Improvement - 1000m FRC	422 days	Mon 15/01/18	Thu 8/08/19	\$571,181	68%											
178	W1-10-18 Pentecost - Ranwadi Point Coastal Road - Retaining Wall (3 x IBC)	257.97 days	Mon 30/10/17	Fri 12/10/18	\$122,085	100%											

Critical		Split		Finish-only		Baseline Milestone		Manual Summary		Inactive Task	
Critical Split		Task Progress		Duration-only		Milestone		Project Summary		Inactive Milestone	
Critical Progress		Manual Task		Baseline		Summary Progress		External Tasks		Inactive Summary	
Task		Start-only		Baseline Split		Summary		External Milestone		Deadline	

Page 1

Appendix 2: Procurement Plan



Procurement Plan
2019 as at 29 Mar 19
