



QUARTERLY REPORT – APRIL-JUNE 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: 31 July 2019

**Republic of Vanuatu: Vanuatu Infrastructure Reconstruction and Improvement Project
Quarterly Report – April-June 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

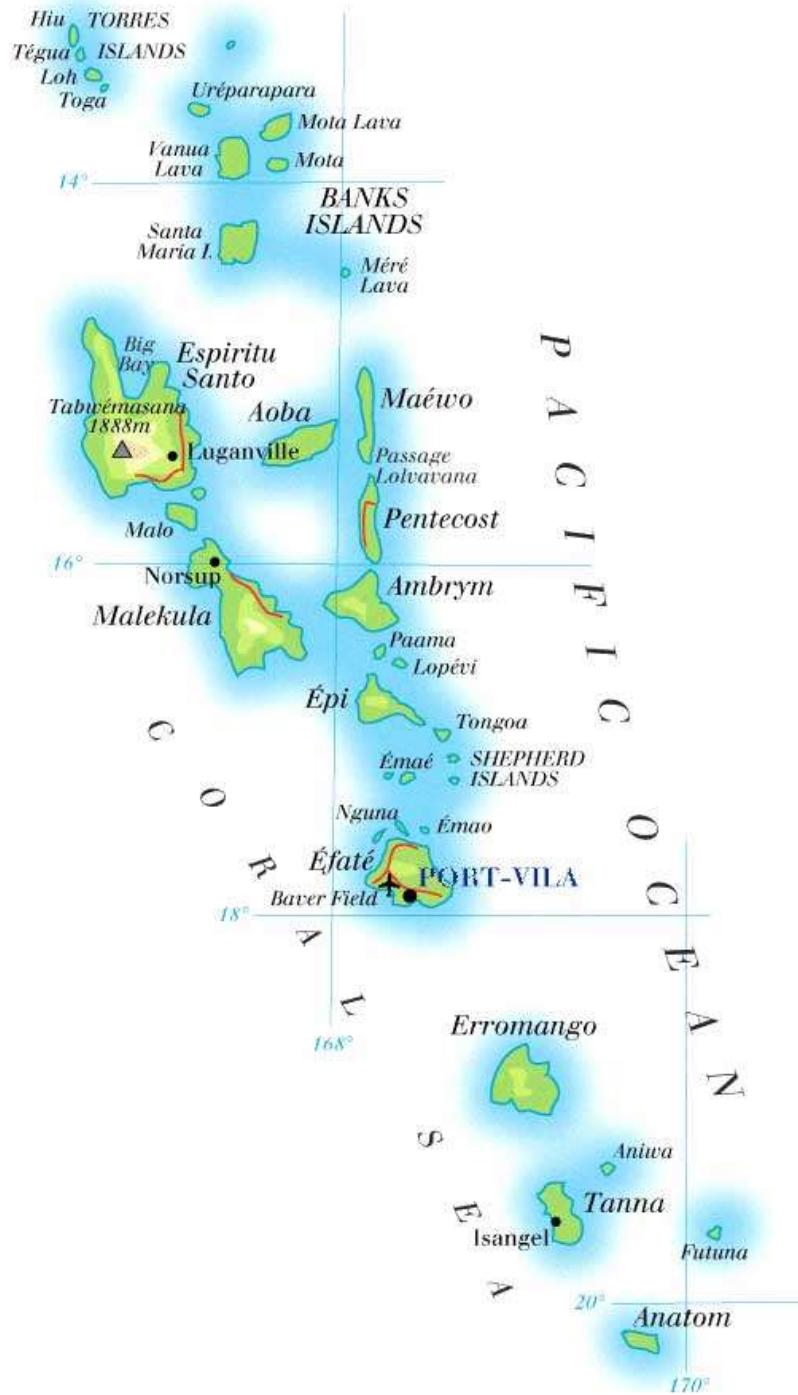
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Abbreviations

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

The overall operating context for the program has improved, with notable improvements in PWD. The PST has continued to brief the Director General and Director, PWD on the project and progressively seek guidance on future initiatives. The MOET remains a strong stakeholders and work has progressed through contracts with Kramer Ausenco.

Work with DSPPAC continues to progress with engagement for both public buildings and the development of the National Disaster Recovery Framework (NDRF).

The National Recovery Committee (NRC) continues to play a strong role and has become more active in the implementation and management arrangement of VIRIP. This has been a notable change in the context and recorded in the mid-term review preparation process. A number of key stakeholders are taking a greater role and interest in VIRIP.

There was one meeting of the Project Implementation Committee (PIC) during the period on 20 June 2019, which addressed a number of strategic issues for all Parts of the project, the development of the NDRF and upcoming Mid Term Review (MTR).

A number of key recommendations have been provided as a means for discussion in the lead up to the MTR.

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
49%	48%	21%	36%	16%

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. Practical completion has been reconciled against contract implementation records, including variations and extensions of time. This has affected the overall practical completion percentage, as it increased only 1% from last quarter, caused by the extensions for time and slower than anticipated procurement. Total disbursements and financial commitments are still lagging, however there is a considerable amount of procurement occurring during Q1, Q2 and Q3 in 2019 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 for Works Programme.

Institutional Stream

The main focus of the institutional stream is the development of the NDRF.

For this period, the outputs have been

Position Paper that was presented and approved by the NRC; and
NDRF working paper and workplan.

In addition:

Worked with NDMO on the agenda for their provincial lessons learned workshop on the Ambae early response experience.

Prepared short-term consultants' TORs and long-term NDRF team leader and national recovery specialist TORs.

Together with DSPPAC counterparts and Mark Bebe, started advocating for participation in NDRF consultations with the Vanuatu Chamber of Commerce and Industry and its Business Resilience Council; the Vanuatu Council of Churches; the Vanuatu Cultural Centre (the latter, on traditional community recovery/mutual help strategies).

Many interaction with MOIA and the Dept for Local Authorities on provincial/area council capacities for disaster management and recovery and MOIA's need for additional capacity;

Research and consultations on various aspects of the NDRF, including safeguards, World Bank; PST, etc

It is expected that the outcomes of the NDRF 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, and where appropriate, are harmonised with Government systems. During the period, the PST is reviewing a number of these manuals which is expected to continue until August 2019, when they will be re-issued.

A number of internal audits have been performed during the period, across the various functions of the project, including; procurement, contract administration, financial management and safeguards. Details of the internal audits will be provided to the World Bank during the upcoming MTR.

Financial Management and Performance

In Semester 2, 2019 total withdrawals stand at Vt.562,613,165 of which Vt.270,192,991 under grant and Vt.292,420,174 under credit.

In Quarter 2, 2019 the World Bank disbursed to the Designated Account held with the Reserve Bank of Vanuatu a total of Vt.171,311,337 under grant and Vt.140,108,659 under credit. This totalled to Vt.311,419,996.

To date, total actual expenditure under VIRIP stood at Vt. 802.6 million. The outstanding commitments for 2019 stands at Vt.1,047.1 million. This includes all contracts signed and variations excluding incremental operating costs.

Safeguards

During the period, seven activity screening forms were 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 presentations 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 for safeguards 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 also 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 Construction Industry Market Survey, with 17 of 20 works related companies being interviewed. The market survey will assist the PST and stakeholders in understanding further the capability and capacity of local construction industry companies. 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 provide a good fit with the construction industry market place. A report summarising the results is being developed and should be available by the MTR. This report may well be useful to other donors and GoV departments as it provides an interesting picture of the Vanuatu Road and Building Construction Industry.

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

VIRIP also began developing a Procurement Strategy document during the June quarter. This document looks at VIRIP demand for Works, the supply market place and identifies procurement strategies likely to be useful. Conclusions will be documented in a report due for completion in the September quarter.

During the June quarter VIRIP executed 5 ITQ style contracts and began the procurement process for a further 1 contract. Eight IBC contracts were put in place during the June quarter.

We plan to issue 4 ITQ style contracts per month in the first 6 months of 2019, however delays in receiving Technical Packs has meant that during the June quarter this did not occur. The time that subsequently became available to the procurement cell of VIRIP enabled us to conduct the Construction Industry Market Survey and begin writing a Procurement Strategy paper.

The most significant delays in relation to procurement continue to be related to the availability of Technical Packs. This matter is being addressed with the consulting firms developing the Technical Packs. To improve procurement planning the IPS has sought a plan from Kramer Ausenco for all school and public building works to the completion of VIRIP.

Risk Management and Key Lessons Learnt

A risk analysis has been developed 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.

During the preparation for the Mid Term Review, a number of recommendations were identified. These recommendations provide a basis for further consultation during the upcoming World Bank Mission. Key recommendations for the quarter include:

1. **Relevancy.** The project needs to emphasise its ability to improve resilience, across all Parts of the project. In light of the development of the NDRF, VIRIP should assist the Government, where possible, be better prepared for immediate and effective responses to any crisis or emergency. The NDRF should be formally recognised as an output of VIRIP.
2. **Governance.** The role and function of the NRC should be formalised, together with its relationship to the PIC.
3. **Institutional Stream.** The institutional stream is growing in prominence and value. There are significant costs associated with the roll-out of the NDRF, which need to be agreed with the Bank. It is an emerging project output and outcome and will involve the establishment of key systems and process including procurement, finance, and overall technical assistance, to funding of recovery unit. VIRIP has an important role to play but the scope of involvement and level of investments needs to be discussed with the Bank.
4. **Perception.** The interpretation of VIRIP and its intended inputs, outputs and outcomes should be refined to ensure there is clarity with stakeholders.
5. **Expectations.** There needs to a recognition that Bank-funded projects are, by their nature, slow to mobilise. However, there should be open commitment by both parties that through VIRIP, to the extent possible, that Bank-funded responses to future crises and emergencies can be mobilised much more quickly. In line with the NDRF, this would involve VIRIP assisting the Government in identifying means of hastening planning, design, procurement and implementation.
6. **Communications.** Resources need to be allocated to effective communications. This will provide adequate exchange of information and direction, reduce misinformation, improve perceptions and meter expectations.
7. **Procurement.** There needs to be a recognition of the lack of local contractor capacity. VIRIP needs to have an agreed capacity development programme for local contractors. Dedicated resources from VIRIP to assist procurement should continue. In line with the NDRF, VIRIP procurement systems must be more fully aligned and harmonised, to the extent possible.
8. **M+E.** The results framework was designed to build upon the results framework in the PAD. The PAD results framework does not cover the full scope of work currently being implemented by VIRIP. The results framework has been aligned to reflect the PAD for the purposes of the MTR but there may be scope to consider additional change.
9. **Coordination.** DSPPAC needs to be more integrated into VIRIP, to ensure there is less chance of duplication and inefficiency of recovery efforts.
10. **IBCs.** Role and involvement of IBCs in the future must be discussed, in line with the PDO, results framework and NDRF.

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 (April-June 2019)

Good overall progress has occurred with the first works contracts being completed, annual planning/works scheduling processes are now being implemented and all consulting services are 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 period largely because a conducive operating environment.

Rate of disbursement has increased and will accelerate towards the end of 2019, in line with expected cash flow projections. Based upon progress during quarter, at the current rate, the project will be on target to reach its targets by mid-term review, having overcome 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 (NDRF) and the adoption of the Ambae Recovery Plan. Engagement of key players, was initially a problem, but this has noticeably improved during the period.

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

The operating context within Public Works Department (PWD) has improved, with the appointment of a new Director. The PST has continued to brief the Director General and Director, PWD on the project and

progressively seek guidance on future initiatives. The Minister has been regularly briefed and provided direction accordingly. A good working relationship has now been formed.

Roads for Development (R4D)

The working relationship between the VIRIP and the DFAT funded Roads for Development (R4D) program it is now in transition again with the introduction of the new program team taking over on 1 July 2019. It is expected that the incoming R4D2 team will be slightly disruptive during the next quarter.

Ministry of Education and Training (MoET)

Ministry of Education and Training (MoET) remains a strongly active stakeholder.

The World Bank funded Global Program for Safe Schools (GPSS) Safer School's program has provided positive results for the project, with excellent review of the original classroom design. Unfortunately, the delivery of the report necessitated the issuance of subsequent variations.

MoET has worked hard with its design consultant Kramer Ausenco (S2-01-18 Survey and Documentation of School Buildings) to developing and implementing a strategy for plans, surveys and designs of Part 2. This Strategy has now been issued early this quarter.

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

DSPPAC has been active with the implementation and finalisation of selected activities under Part 3: Public Buildings.

DSPPAC has been also active with the development of the National Disaster Recovery Framework (NDRF). There has been greater emphasis on DSPPAC during this quarters, as these activities are implemented.

DSPPAC has also worked hard with its design consultant Kramer Ausenco to develop a strategy for completion of surveys, designs and implementation of Part 3. This Strategy has been issued early this quarter.

National Recovery Committee (NRC)

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). Increasingly, there are decisions refer to the NRC, including selection of activities for Part 3: Public Buildings and policy matters directly related to the in NDRF.

A good working relationship with the NRC has been formed over the last two quarters.

The NRC is recently approved a Position Paper for the development of the NDRF and Recovery Unit. It is expected that this matter will be discussed in some detail, during the Mid-Term Review.

Project Implementation Committee (PIC)

There was one meeting of the Project Implementation Committee (PIC) during the period on 20 June 2019, which addressed a number of strategic issues for all Parts of the project, the development of the NDRF and upcoming Mid Term Review.

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

Involvement of the World Bank in the project continues to be influential. During the period, the World Bank funded a delegation from Vanuatu to attend the 4th World Reconstruction Conference.

The World Bank is had a technical oversight mission between 8-12 April 2019. During this mission, a number of issues were addressed and raised which will be discussed during the upcoming Mid-Term Review.

Communications

Communications with stakeholders remains a high priority. Communications has improved during the period, notably with the NRC. PST has developed a video presentation of the project, which has been shown to a number of stakeholders. Briefings at key meetings and production of Monthly Reports has been highly beneficial in gaining understanding about the project and receipt of feedback.

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 39 works contracts well underway, which will rapidly increase to at least 45 works contracts in the 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 refining of Engineer Estimates in the future.

A market survey has been completed during the period, which will provide the appropriate acquisition strategies for future procurement.

Recommendations

A number of recommendations have been made in the past which are being progressively addressed. New recommendations have 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.

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 level 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 anticipated 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-Vanuatu have been put forward for voluntary roles within PST but these have not been accepted to date. For safeguards two young professionals have received ongoing training, resulting in increased

	capacity to undertake environmental and social assessments and audits.
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.	Q1/2019: Communications with key stakeholders worsened during the period, with the Minister and Chairmen NRC expressing their concern a 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. Q2/2019: Communications has noticeably improved with regular meetings with Minister and NRC and productions of highly focussed briefs.
Recommendation 2: During the upcoming period, VIRIP must increase the pace of procurement to meet the project requirements and improve perception of project performance.	Q1/2018: 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. Q2/2019: Procurement has noticeably improved with delivery of technical packs.
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.	Q1/2018: 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 DSPPAC and other stakeholders, including NRC. Q2/2019: Much greater awareness of resilience initiatives, including NDRF. NRC supports the development of the NDRF and Recovery Unit.
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.	Q1/2018: 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. Q2/2019: New R4D2 team arrived during period, introducing new transition arrangement.
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.	Q3/2018: 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.	Q3/2018: 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

	<p>on which to further develop the Acquisition Strategies.</p> <p>Q2/2019: Pace of procurement has increased, however there has been some time restriction with the revision of standard school design as a result of the GPSS/Arup Report and lack of clarity on Part 3: Public Building packages (notably MoH buildings)</p>
<p>Recommendation 3: Application of acquisition strategies will reduce the number of procurements that need to be conducted; reducing the transactional cost of procurement.</p>	<p>Q3/2018: 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.</p>
<p>Recommendation 4: PWD should indicate how the Feeder Roads program will be resourced with Consultants and Contractors and effect current commitments.</p>	<p>Q3/2018: 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 remains a concern.</p> <p>Q2/2019: This matter is now clarified and the impact of the feeder program appears to be less than expected.</p>
<p>Recommendation 5: PWD must clarify how the IBCs funded under VIRIP will be supervised and trained.</p>	<p>This has occurred. Refer above.</p>
<p>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.</p>	<p>Q3/2018: Weekly liaison is occurring between the R4D-T team leader and the VIRIP program manager around regular updates and schedules.</p>
<p>Key recommendation from QPR 1 2019 – Jan-Mar 2019</p>	
<p>Recommendation 1: Communication with stakeholders must improve</p>	<p>Q1/2019: This has occurred during the period. However, a concerted effort is required, including social media and press releases.</p>
<p>Recommendation 2: Require greater buy-in from stakeholder for the NDRF, including DSPPAC and NRC.</p>	<p>Q1/2019: This will require a strategy from the DRF Consultant with active assistance from the PST.</p>
<p>Recommendation 3: Capitalisation on good progress in safeguards.</p>	<p>Q1/2019: Exploit opportunities in this area, requiring a strategy agreed leading up to the MTR.</p>
<p>Key recommendation from QPR 2 2019 –Apr-Jun 2019</p>	
<p>Recommendation 1: Relevancy. The project needs to emphasise its ability to improve resilience, across all Parts of the project. In light of the development of the NDRF, VIRIP should assist the Government, where possible, be better prepared for immediate and effective responses to any crisis or emergency. The NDRF should be formally recognised as an output of VIRIP.</p>	<p>Q2/2019: All recommendations for the Quarter are to be addressed at the upcoming Mid Term Review.</p>
<p>Recommendations 2: Governance. The role and function of the NRC should be formalised, together with its relationship to the PIC.</p>	
<p>Recommendation 3: Institutional Stream. The institutional stream is growing in prominence and value. There are significant costs associated with the roll-out of the NDRF, which need to be agreed with the Bank. It is an</p>	

<p>emerging project output and outcome and will involve the establishment of key systems and process including procurement, finance, and overall technical assistance, to funding of recovery unit. VIRIP has an important role to play but the scope of involvement and level of investments needs to be discussed with the Bank.</p>	
<p>Recommendation 4: Perception. The interpretation of VIRIP and its intended inputs, outputs and outcomes should be refined to ensure there is clarity with stakeholders.</p>	
<p>Recommendation 5: Expectations. There needs to a recognition that Bank-funded projects are, by their nature, slow to mobilise. However, there should be open commitment by both parties that through VIRIP, to the extent possible, that Bank-funded responses to future crises and emergencies can be mobilised much more quickly. In line with the NDRF, this would involve VIRIP assisting the Government in identifying means of hastening planning, design, procurement and implementation.</p>	
<p>Recommendation 6. Communications. Resources need to be allocated to effective communications. This will provide adequate exchange of information and direction, reduce misinformation, improve perceptions and meter expectations.</p>	
<p>Recommendation 7. Procurement. There needs to be a recognition of the lack of local contractor capacity. VIRIP needs to have an agreed capacity development programme for local contractors. Dedicated resources from VIRIP to assist procurement should continue. In line with the NDRF, VIRIP procurement systems must be more fully aligned and harmonised, to the extent possible.</p>	
<p>Recommendation 8. M+E. The results framework was designed to build upon the results framework in the PAD. The PAD results framework does not cover the full scope of work currently being implemented by VIRIP. The results framework has been aligned to reflect the PAD for the purposes of the MTR but there may be scope to consider additional change.</p>	
<p>Recommendation 9. Coordination. DSPPAC needs to be more integrated into VIRIP, to ensure there is less chance of duplication and inefficiency of recovery efforts.</p>	
<p>Recommendation 10. IBCs. Role and involvement of IBCs in the future must be discussed, in line with the PDO, results framework and NDRF.</p>	

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 traffic and 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.	10%	A Calculations are currently underway based on definitions of works. Anticipated to be updated in August 2019	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%	School packages are currently commencing implementation. Baseline enrolment rates from 2016 have been used. As present a total of 2,172 students are included.	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 August 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	As flagged in the MTR document, it is important that this indicator is reviewed and reconsidered given that VIRIP is not having any influence over community structures of responsibilities post-completion.	0%	Review required of this metric and to be discussed during the MTR process.	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	Principal outputs for the quarter are in summary: <ul style="list-style-type: none"> Started the drafting of the NDRF Developed the terms of reference for the Recovery Unit Developed the framework for next stage of consultations Developed budgets It is expected that the outcomes of the NDRF will prompt recommendations for the upcoming Mid-Term Review.	24%	Policy and strategy currently being drafted.	84%
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 number of contracts signed and preparation for the tenders, including: Pentecost - Improvement to South Pentecost Road, Epi - West Epi Road Improvements - FRC, Tongoa - Road Improvements, Tanna - Lowiaru-Imafen Road Improvement - 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.	9%	A total of 17.014km of roads has been completed to date. A total of 10 physical enhancements are completed with 50 currently in progress.	52%
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 Packages 1, 2, 3, 4, 5 and 8. 	*%	0 schools completed to date. *Works program was readjusted for slower than expected design and procurement.	36%

				<ul style="list-style-type: none"> • Packages 6, 7, 9, 10 and 11 have been inspected. Technical packs are being prepared. • 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"> • Packages 1, 2 and 3 under contract and well underway. 	12%	<ul style="list-style-type: none"> • A total of 15 buildings are currently in progress. 	44%
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	8 contracts	<ul style="list-style-type: none"> • 8 additional IBC contracts signed in the June quarter. A total of 29 signed as at the end of June 2019, with 20 "Under Implementation". 	57%	<ul style="list-style-type: none"> • A total of 29 IBC contracts signed and initiated since the commencement of VIRIP. 	97%
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"> • To be calculated based on the data being included into the dashboard. 	22%	<ul style="list-style-type: none"> • A total of 3,942 worker days have been generated on roads (3,512 male and 430 female) • A total of 1,838 worker days for schools (1,708 males and 130 females) 	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"> • NDRF framework currently in progress. 	80%
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. 	50%	<ul style="list-style-type: none"> • A total of 5 grievances have been reported for roads and these have been responded to within agreed timeframe (2-weeks). A total of 1 safety issue has been recorded. 	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"> 16 Contracts let 4 Variations 	20%	<ul style="list-style-type: none"> Relevant financial management systems have been established and operational. Semester accounts have been audited. 46 Work Contracts have been executed to 30/06/2019 - 37 Roads, 6 Schools, 3 Public Buildings Total Value of Works Contracts equals US\$12.08M (inclusive of Variations) Value of Works variations US\$ 0.835M Total Value of Services Contracts US\$2.61M inclusive of variations Value of Services variations US\$0.983M 	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 	50%	<ul style="list-style-type: none"> Service Contracts – 225 Payments to Date Works Contract – 110 Payments to date 	50%
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"> Key lessons learned were discussed with the PST and key stakeholders during the MTR briefing and review process. 	30%	<ul style="list-style-type: none"> A total of two workshops have been facilitated to date and included as part of the six-monthly reporting process. A series of lessons were also discussed as part of the preparations for the MTR. 	30%

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 52% complete which is approximately where this Part was anticipated as per the 2018 Annual Report. The 2017 Annual Works Plan (AWP) is 69% complete. 2018 AWP is 60% complete and has lagged mainly because of the delay of W1-05-18 Pentecost - Improvement to South Pentecost Road. The 2019 AWP is currently 22%, which largely increased from 9% last quarter.

Services

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

Task Name	% Complete
Services	67%
S1-01-17 Design and Documentation of Roads	64%
S1-02-17 Develop QCM	100%
S1-03-17 Pavement Specialist	100%
S1-04-17 Supervisor for Tanna Works	100%
S1-05-18 Supervision of 2018-2019 Works	50%
S1-06-19 Design and Documentation of Bridges	37%

The value of all Services currently represent 6% 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%, which is realistic for the nature of services and works.

Design and Documentation of Roads awarded to QCL improved its outputs with the varied 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 now provides detailed procedures and forms for contract quality issues, harmonised with PWD and MoET systems. This contract was varied to include the development of a complementing Contractor's Quality Plan (CQP) – Template, which is now complete. Services of the supervisor for the Tanna works is now complete. The supervision of 2018-2019 works is well underway and performing very well. Design services for bridges was issued to the market during the period.

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	\$3,195,657	69%
W1-01-17 Tanna - King Cross Road Improvement - FRC	\$965,320	95%
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	\$2,067,297	62%
W1-03-17 Malekula - Improvement to Batven Stream (Neramb) Crossing (2 x IBC)	\$76,515	55%
W1-04-17 Malekula - Improvement to Unua 5 Stream (Blacksand) Crossing (2 x IBC)	\$86,525	52%

The first items of work were contracted prior to the end of 2017. It was subsequently agreed to vary the W1-02-17 Tanna - King Cross Road Improvement - Bitumen 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, mainly because of design and budget issues. 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 well underway, albeit slowly with completion due August 2019.

2018 Annual Works Plan

The 2018 AWP includes eight VIRIP funded works activities.

Task Name	Cost	% Complete
2018 Annual Works Plan	\$5,553,903	60%
W1-05-18 Pentecost - Improvement to South Pentecost Road	\$2,109,561	22%
W1-06-18 Epi - West Epi Road Improvements - FRC	\$618,819	91%
W1-07-18 Tongoa - Road Improvements	\$647,744	56%
W1-08-18 Tanna - Lowiaru-Imafen Road Improvement - 1000m FRC	\$870,229	82%
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)	\$81,813	86%
W1-12-18 Pentecost - Vanwoki Hill - FRC (3 x IBC)	\$134,308	100%
W1-13-18 Efate - Mangaliliu Road Improvements - FRC	\$590,052	93%
W1-14-18 Ambrym Road Improvements (4 x IBC)	\$190,363	47%
W1-15-18 Paama Road Improvements (4 x IBC)	\$188,929	47%

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

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.

West Epi Road Improvement is well underway. Tongoa Road improvements is ready for contract signature. Lowiaru-Imafen Road is well underway including provision for a significant variation.

Ranwadi Point Coastal Road - Retaining Wall and W1- 12-18 Pentecost - Vanwoki Hill - FRC are complete. Cooks Cave was deleted, as the Government is considering the undertaking these works through a Chinese Government-funded loan. As a consequence, Ranputor Road Improvement was approved and completed within the period.

Mangaliliu Road Improvement - FRC has been contracted and well underway and will be completed shortly.

Ambrym and Paama works were contracted and works commenced during the period.

2019 Annual Works Plan

Task Name	Cost	% Complete
2019 Annual Works Plan	\$5,766,221	22%
W1-16-19 Malekula - Road Improvements	\$2,326,802	10%
W1-17-19 Pentecost - Lesa-Lekasubu Road Improvements	\$835,308	26%
W1-18-19 Pentecost - Elislis-Loltong Road Improvements (12 x IBC)	\$558,809	38%
W1-19-19 Epi - Epi Drainage Improvements	\$748,000	25%
W1-20-19 Tanna - Iatakuey Hill Road Improvements	\$971,787	28%
W1-20-19 Tanna - Imake Hill Road Improvements	\$325,515	28%

Malekula - Road Improvements is expected to be tendered in August as one package because of isolation and contiguous nature of the works. Pentecost - Elislis-Loltong Road Improvements has been awarded during the period as 12 x IBC contracts.

Iatakuey Hill Road Improvements and Imake Hill Road Improvements was tendered and awarded as separate package during the period, having been recently added to the AWP2019 program.

Goods

Task Name	% Complete	Cost
G1-01-18 Purchase of 3 Vehicles	100%	\$120,038

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

4.2 Part 2: School Reconstruction and Improvement

Overall

Part 2 is 36% complete, after the works program was readjusted for slower than expected design and procurement. Provision of services are generally on track. 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. The remainder of the activities for Part 2: Schools for the 2020 AWP will generally consist of the most difficult activities with isolated locations, high schools and those schools with unique design requirements. These activities are under planning, with an approved methodology for prioritization and implementation. As a result of the introduction of resources, systems and new tenderers, it is believed that this program is realistic. The Global Program for Safe Schools (GPSS) has been positive in its outcomes in amongst other outputs producing a structural review of existing standard drawings for standard classrooms. This has been problematic for existing contracts and future tenders.

Services

Task Name	Cost	% Complete
Services	\$835,696	76%
S2-01-17 Survey and Documentation of School Buildings	\$338,000	78%
S2-02-17 Asbestos Specialist	\$70,300	64%
S2-03-17 Land Registration Officer	\$21,682	92%
S2-04-17 Safeguards Officer	\$23,238	89%
S2-05-18 Supervision of 2018-2019 Works	\$382,476	52%

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. The 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. During the period, the Asbestos Specialist trained local MoET and other staff on the sampling of Asbestos, to visit all sites. This outcome provides a cost effective solution. Supervision of the 2018-2018 Works is well underway and varied to also supervise the Public Buildings. These services have required continued oversight, as the consultant has struggled with adoption of standard systems (notably the CAM and QCM).

VIRIP continues to work 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	\$3,072,110	45%
W2-01-18 Package 1: Efate - Eton and Ekipe	\$609,334	60%
W2-02-18 Package 2: Nguna, Pele and Emau	\$317,714	65%
W2-03-18 Package 3: Efate - Etas, Maumau	\$352,191	77%
W2-04-18 Package 4: Epi - Bonkovio, Lamenu, Akama, Mafilau	\$544,395	56%
W2-05-18 Package 5: Efate - Nuakwanapu, Greenhill and Nakuskaru	\$607,476	37%
W2-06-18 Package 6: Shepherds - Senecol, Coconak, Worarana, Makira and Mataso	\$398,000	0%
W2-07-18 Package 7: Paama - Vutekai, Lire, Lehili and Luvil	\$243,000	0%

Procurement on the first five packages of works is complete. 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 were issued during the period and now contracted. Packages 5 required land use agreement which was finalized. The Package was tendered and contract signed. Packages 6 and 7 were inspected during period. These packages of works will be issued for tender shortly.

2019 Annual Works Plan

Task Name	Cost	% Complete
2019 Annual Works Plan	\$7,472,954	5%
W2-08-19 Package 8: Tongoa - Malawia, Ere, Nottage, Itakuma and Naworaone	\$530,097	45%
W2-09-19 Package 9: Efate - Kawenu	\$342,857	0%
W2-10-19 Package 10: Malekula - Lonvat Junior High School	\$1,800,000	0%
W2-11-19 Package 11: Aneityum - Teruja High School	\$1,800,000	0%

Package 8 was issued for tender and awaiting contract signature. Other Packages have had field inspections, during the period and are under design, prior to tendering.

4.3 Part 3 - Public Building Reconstruction and Improvement

Overall

Part 3 has rapidly progressed during the period to 44% after a very slow start. DSPAC has been actively involved during the period with Survey and Documentation of Public Buildings (Kramer Ausenco Ltd (Kramers)) and provided necessary direction on the remaining activities. This compiled list of activities is 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	\$742,220	65%
S3-01-18 Survey and Documentation of Public Buildings	\$359,744	76%
S3-02-18 Supervision of Public Building Works	\$382,476	52%

Kramer Ausenco has continued inspections of compiled public buildings throughout the project area. Public buildings in the outer islands that may meet the selection criteria have been inspected and activity proposals will be subsequently developed. Supervision of the public buildings has been augmented with the services of the supervision of the school buildings.

2018 Annual Works Plan

Task Name	Cost	% Complete
2018 Annual Works Plan	\$811,047	66%
W3-01-18 Package 1: Catering Building	\$42,697	75%
W3-02-18 Package 2: Remediation of Public Building in Port Vila	\$768,350	56%

Catering Building is currently under contract with repairs now almost complete. However, during the period, the Air Vanuatu decided to relocate its Catering department from this building. Package 2 was tendered and awarded during the period.

2019 Annual Works Plan

Task Name	Cost	% Complete
2019 Annual Works Plan	\$3,414,000	24%
W3-03-18 Package 3: METEO and PWD Buildings	\$1,257,000	53%
W3-04-19 Package 4: Ministry of Health Buildings - Erromango	\$957,000	18%
W3-05-19 Package 5: Public Buildings	\$600,000	0%
W3-06-19 Package 6: Public Buildings	\$600,000	0%

The first package of works was issued to the market and awarded during the period. The second package will be issued shortly, as the safeguard issues are confirmed and the design finalised. 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

5. Task Name	Cost	% Complete
Part 4: Project Implementation and Technical Support	\$3,346,807	61%
Services	\$3,311,807	61%
S4-01-16 Project Manager/Coordinator	\$1,122,200	54%
S4-02-17 Safeguard Specialist	\$612,070	85%
S4-03-17 Procurement Specialist	\$17,589	100%
S4-04-17 Project Accountant	\$132,157	71%
S4-05-17 Monitoring and Evaluation Specialist	\$197,900	63%
S4-06-17 Procurement Specialist	\$519,780	80%
S4-07-18 Contracts Manager	\$417,040	43%
S4-08-18 Procurement Officer	\$54,000	44%
S4-09-18 Junior Accountant	\$41,871	34%
S4-10-18 DRF International Consultant	\$197,200	84%

Part 4 is 61% complete. It is noteworthy that the Part is currently under budget. The PST has a full complement of key staff. 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
49%	48%	21%	36%	16%

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 up to 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	Cost	% Complete
Vanuatu Infrastructure Reconstruction and Improvement Project	\$48,636,830	49%
Part 1: Road Reconstruction and Improvement	\$25,741,996	52%
Part 2: School Reconstruction and Improvement	\$13,080,760	36%
Part 3: Public Building Reconstruction and Improvement	\$6,467,267	44%
Part 4: Project Implementation and Technical Support	\$3,346,807	61%
Institutional	\$0	52%

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

At this stage, we believe we have adequate resources across all types to complete the project on budget and schedule. However, during the Mid-Term Review it is expected additional resources will be requested to assist with the development of the NDRF and formation of a Recovery Unit, as outlined elsewhere in this report.

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.

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 adoption of the Ambae Recovery Plan. Engagement of key players, was initially a problem, but this has noticeably improved during the period.

The main focus of the institutional stream is the development of the NDRF.

For this period, the outputs have been

- Position Paper that was presented and approved by the NRC; and
- NDRF working paper and workplan.

In addition:

- Worked with NDMO on the agenda for their provincial lessons learned workshop on the Ambae early response experience.

- Prepared short-term consultants' TORs and long-term NDRF team leader and national recovery specialist TORs.

- Together with DSPPAC counterparts and Mark Bebe, started advocating for participation in NDRF consultations with the Vanuatu Chamber of Commerce and Industry and its Business

Resilience Council; the Vanuatu Council of Churches; the Vanuatu Cultural Centre (the latter, on traditional community recovery/mutual help strategies).

Many interaction with MOIA and the Dept for Local Authorities on provincial/area council capacities for disaster management and recovery and MOIA's need for additional capacity;

Research and consultations on various aspects of the NDRF, including safeguards, World Bank; PST, etc

The NRC is recently approved a Position Paper for the development of the NDRF and Recovery Unit. It is expected that this matter will be discussed in some detail, during the Mid-Term Review.

During the quarter, the World Bank funded a delegation to attend the World Reconstruction Conference/Global Platform and associated SISRI/GFDRR sessions. The outcome of the conference was extremely beneficial and consolidated the many lessons learnt from previous conference. Refer to Appendix 3.

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.

A number of internal audits have been performed during the period, across the various functions of the project, including; procurement, contract administration, financial management and safeguards. Details of the internal audits will be provided to the World Bank during the upcoming MTR.

4.8 Financial Management and Performance

In Quarter 2, 2019 the World Bank disbursed to the Designated Account held with the Reserve Bank a total of Vt.311,419,996 of which Vt.171,311,337 is Grant and Vt. 140,108,659 is Credit respectively. These amounts were allocated into the four different parts of VIRIP namely – Roads, Schools, Public Buildings and Project implementation. Therefore, in Semester 2 2019, total financing received and deposited in the Designated Account at the Reserve Bank of Vanuatu stood at Vt.562,613,165.

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.802.6 million or 15%of the total financing budgetⁱ.

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 28% contracts signed under the 2018 works program and 3% contracts signed under 2019 (roads, schools and public buildings) and contractors have either mobilised to sites or preparing for mobilisation. Other projects programmed for 2018 and 2019 are still in the development stages particularly for scoping, development of activity proposals, design and the procurement.

Disbursement

To date, the total financing disbursed stands at Vt.1.197 billion. In Semester 2 2019, there were eight disbursements from 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). The Table below shows the drawdown of loans.

Total						VT 562,613,165
Credit	111,441,997	40,869,518	58,674,575	81,434,084		292,420,174
Grant	98,881,654	103,934,112	52,988,662		14,388,563	328,249,139

Expenditures Q2

In Quarter 2, 2019 the expenditure stood at Vt.192.3 million. The main expenditure was attributed to roads which consumed Vt.79.7 million, schools at Vt.67.0 million, Public Buildings Vt.12.0 million and Project Implementation & Technical Support with Vt.33.6 million. The expenditure for Q2 has improved relative to Q1 2019 and is attributed to several factors: (i) procurement has improved; (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 good which lead to invoices coming on time.

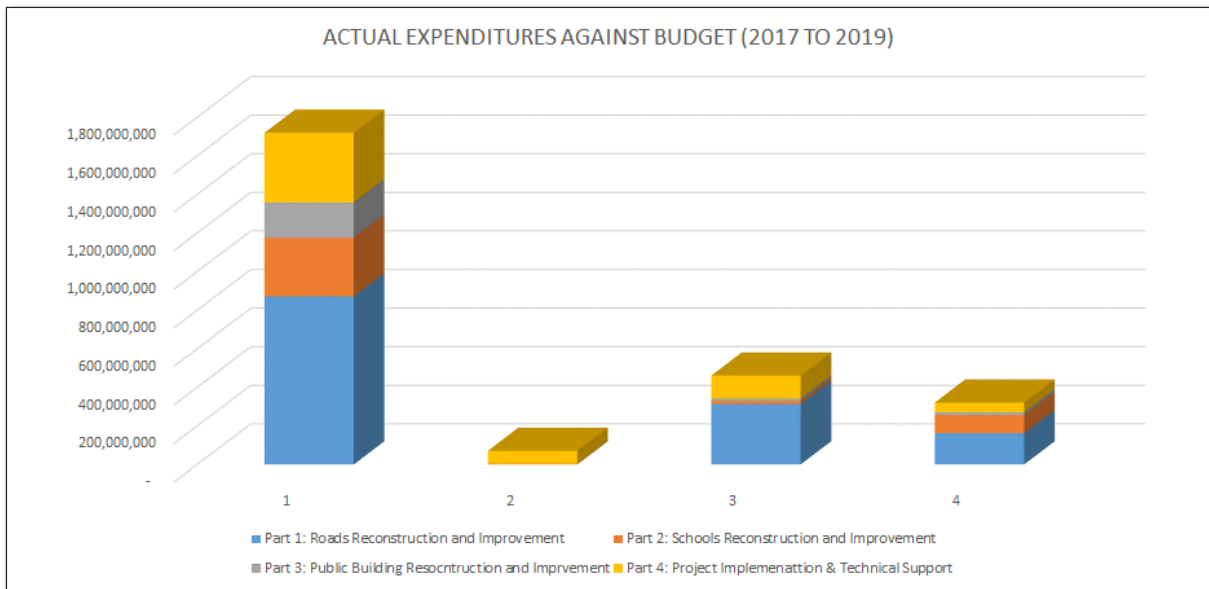
The expenditure from public buildings is very low and this is attributed to design and supervision. However, the outcome of the design shows package 1 and 2 of 2018 buildings contracts approved for RNGO Eden construction for the catering building and MA Builders buildings in Port Vila damaged by TC Pam. 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 Q2, 2019 is much better compared to the same period in 2018 and this is because most of the projects are implementation are underway.

Expenditure to Date

To date, the total expenditure stands at Vt.802.6 million which includes all parts of the Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP).

The expenditure for 2018 fiscal year stood at Vt.429.8 million, that includes Vt.292.9 million on roads, Vt. 3.4 million on school, Vt.14.6 million on Public Buildings and VT.118.8 million on Project Implementation and Technical Support. The 2018 expenditures have been 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.



Commitments

The outstanding commitments to date stands at Vt.1,047.1 million or 20% of the total financing approved by the World Bank for VIRIP. This includes all contracts signed and variations 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.

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 PWD Office.

Expenditure against budget to date (by component)

The total cost of the Contracts signed to date stands at Vt.1,806.9 million or 34% of the total financing approved by the World Bank. The Outstanding Commitments to date stands at Vt.1,047.1 million. This includes TA and Works Contract as shown by different Parts of VIRIP in the Table below.

Tasks	Job Code	Signed	Contractors and Service Contractors	Outstandings (VZ)	Status
Commitment to Date				1,099,491,545	
Part 1: Roads				387,438,000	
a) Works				442,030,261	
W1-01-17 Tanna - King Cross Road Improvement - FRC	VRAA001	Signed	Fletchers	4,565,345	Completed
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	VRAA002	Signed	Downer	38,474,818	Completed
W1-03-17 Malakula - Improvement to Balvon Stream (Rarank) Crossing (IBC)	VRAA003	Signed	IBC	8,373,328	
W1-04-17 Malakula - Improvement to Urua 5 Stream (Blackland) Crossing (IBC)	VRAA004	Signed	IBC	2,433,270	
W1-05-18 Pentecost - Improvement to South Pentecost Road				-	
W1-06-18 Epi - West Epi Road Improvements - RDOm FRC	VRAA006	Signed	Island Construction	32,218,000	
W1-07-18 Tongoa - Road Improvements - RDOm FRC				-	
W1-08-18 Tanna - Lowland-Mafan Road Improvement - 3000m FRC	VRAA015	Signed	Pierre Brune	91,574,000	
W1-09-18 Tanna - White Cross Junction - Inhatat Road Improvement - Bridge and Culvert				-	
W1-10-18 Pentecost - Ranaveli Point Coastal Road - Retaining Wall (3 x IBC)	VRAA008	Signed	IBC - Point Wan Constra and Panbilly Construction	8,381,873	Completed
W1-11-18 Pentecost - Ranaveli Point Coastal Road Improvement (2 x IBC)	VRAA007	Signed	IBC - Point Wan Constra and Panbilly Construction	2,798,584	
W1-12-18 Pentecost - Vanvoko Hill - 300m FRC	VRAA009	Signed	IBC	1,666,989	Completed
W1-13-18 Ambrym-Paama Felina - Spot Improvements				-	
W1-14-18 Hata Mangalibu Road Improvement	VRAA011	Signed	Pierre Brune	8,597,959	
W1-14-18 Ambrym Road Improvement	VRAA012	Signed	IBC	17,102,372	
W1-15-18 Paama Road Improvements				-	
W1-16-18 Malakula Road Improvements				-	
W1-17-18 Pentecost - Less - Lakasulu Road Improvements				-	
W1-18-18 Pentecost - Elala to Lofong Road Improvement	VRAA022	Signed	IBC	42,381,799	
W1-18-18 Epi Drainage Improvements				-	
W1-20-18 Tanna - Intakusey Hill Rd Improvements		Signed		131,755,450	
W1-20-18 Tanna - Inako Hill Rd Improvements		Signed		37,434,200	
Q1-01-18 Purchase of 3 Vehicles	VRAA014	Signed	Carpenter Motors	11,028,000	
b) Design and Supervision				46,137,777	
S1-01-17 Design and Documentation of Roads	VRAA005	Signed	GCL	8,047,371	
S1-02-17 Develop QCM	VRAA005	Signed	GCL	-	15
S1-03-17 Pavement Specialist		Signed		-	
S1-04-17 Supervisor for Tanna Works	VRAA005	Signed	GCL	16,230	
S1-05-18 Supervisor of 2018-2019 Works	VRAA017	Signed	BI - Consulting	34,824,492	
c) Incremental Operating Costs				1,447,570	
Part 2: Schools Works				241,922,998	
a) Works				101,792,888	
W2-01-18 Package 1: Efate - Floor and Floor	VRA003	Signed	Island Construction	24,875,658	
W2-03-18 Package 3: Efate - Ctas, Maramau and Rozotou	VRA005	Signed	ATOM LTD - Sanifitns	19,257,000	
W2-04-18 Package 4: Epi - Bokkoko, Lamenu, Akama, Mafila	VRA006	Signed	Rilon Homes Construction	57,260,640	
b) Works				55,886,282	
W2-05-18 Package B: Tongoa - Matawla, Ers, Huttage, Itakona and Nawraone	VRA007	Signed	MA Builders	55,660,222	
c) Design and Supervision				74,258,884	
S2-02-17 Architect Specialist	VRA002	Signed	Gale Austin	4,055,218	
S2-03-17 Land Registration Officer	VRA002	Signed	George Tambe	5,305,725	
S2-04-17 Safeguards Officer	VRA002	Signed	Hemington Alatae	428,888	
S2-01-17 Survey and Documentation of School Buildings	VRA011	Signed	Kramer Assense (KA)	31,100,112	
S2-05-18 Supervision of 2018-2019 Works	VRA001	Signed	Cyrl Manguy	38,049,750	
Part 3: Public Building				174,028,144	
a) Works				126,422,483	
W3-01-18 Package 1: Public Buildings - Catering Building	VRA001	Signed	NS Co Elen Construction	3,220,316	
W3-02-18 Package 2: Public Buildings - Remediation of Public Buildings in Port Vila	VRA002	Signed	MA Builders	80,676,530	
W3-03-18 Package 3: Public Buildings - Metro and MPA building	VRA009	Signed	Fletchers Company	40,519,639	
b) Design and Supervision				46,610,666	
S3-01-18 Survey and Documentation of Public Buildings	VRA009	Signed	Kramer Assense (KA)	11,528,786	
S3-02-18 Supervision of Public Building Works			Cyrl Manguy	38,280,880	
Part 4: Project Implementation and Technical Support				157,101,279	
a) PCT				154,456,090	
S4-01-16 Project Manager/Coordinator - Laurie Carlson	VRA001	Signed		61,473,018	
S4-02-17 Safeguards Specialist - Ian Haggerty	VRA001	Signed		19,401,518	
S4-03-17 Procurement Specialist	VRA001	Signed		-	
S4-04-17 Project Accountant - John Cusick	VRA001	Signed		4,571,154	
S4-05-17 Monitoring and Evaluation Specialist - Ty Morrissey	VRA001	Signed		10,867,767	
S4-06-17 Procurement Specialist - Ian Burnside	VRA001	Signed		8,923,222	
S4-07-18 Contracts Manager - Paul Thompson	VRA001	Signed		32,091,211	
S4-08-18 Procurement Officer - Debbie Sims	VRA001	Signed		2,278,245	
S4-09-18 Junior Accountant - Leilangi Morris	VRA001	Signed		3,583,184	
Jennifer Cadd	VRA001	Signed		4,993,228	
John Mc Fallon	VRA007	Signed		6,280,500	
b) Training and Capacity Building				2,645,189	
S4-10-18 ODF International Consultant				2,645,189	

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 Parts in the table below.

Part 1: Roads				958,529,266	\$ 8,938,945.39
a) Works				825,024,582	\$ 7,857,376.97
W1-01-17 Tanna - King Cross Road Improvement - FRC	VRAA001	Signed	Fletchers	101,358,581	\$ 965,319.82
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	VRAA002	Signed	Downer	217,066,192	\$ 2,067,297.07
W1-03-17 Malekula - Improvement to Batvan Stream (Neramb) Crossing (IBC)	VRAA003	Signed	IBC	8,034,066	\$ 76,514.91
W1-04-17 Malekula - Improvement to Unua 5 Stream (Blacksand) Crossing (IBC)	VRAA004	Signed	IBC	9,085,108	\$ 86,524.84
W1-06-18 Epi - West Epi Road Improvements - 800m FRC	VRAA009	signed	Island Construction	64,976,034	\$ 618,819.37
W1-08-18 Tanna - Lowiaru-Imafen Road Improvement - 1000m FRC	VRAA015	Signed	Pierre Brune	91,374,000	\$ 870,228.57
W1-10-18 Pentecost - Ranwadi Point Coastal Road - Retaining Wall (3 x IBC)	VRAA006	Signed	IBC - PoinWan Constru and PanBilly Construction	14,437,500	\$ 137,500.00
W1-11-18 Pentecost - Ranguto Road Improvement (2 x IBC)	VRAA007	Signed	IBC - PoinWan Constru and PanBilly Construction	8,810,000	\$ 82,000.00
W1-12-18 Pentecost - Vanwoki Hill - 300m FRC	VRAA008	Signed	IBC	18,803,100	\$ 179,077.14
W1-13-18 Efate Mangaliliu Road Improvement	VRAA011	Signed	Pierre Brune	61,955,500	\$ 590,052.38
W1-14-18 Amrym Roads Improvement (Saisivi Rd)	VRAA018	Signed	IBC	19,988,121	\$ 190,363.06
W1-18-19 Pentecost - Eliala to Lolong Road Improvement	VRAA022	Signed	IBC	40,121,730	\$ 467,826.00
W1-20-19 Tanna - Iatakuay Hill Rd Improvements	VRAA025	Signed	Pierre Brune	111,755,450	\$ 1,064,337.62
W1-20-19 Tanna - Imaki Hill Rd Improvements	VRAA026	Signed	Pierre Brune	37,434,200	\$ 356,516.19
G1-01-18 Purchase of 3 Vehicles	VRAA014	Signed	Carpenter Motors	11,025,000	\$ 105,000.00
b) Design and Supervision				113,564,684	\$ 1,081,568.42
S1-01-17 Design and Documentation of Roads	VRAA005	Signed	QCL	31,087,500	\$ 296,071.43
S1-02-17 Develop QCM	VRAA005	Signed	QCL	10,717,434	\$ 102,070.80
S1-04-17 Supervisor for Tanna Works	VRAA005	Signed	QCL	3,258,750	\$ 31,035.71
S1-05-18 Supervision of 2018-2019 Works	VRAA017	Signed	Bi- Consulting	68,501,000	\$ 652,390.48
Part 2: Schools Works				303,688,796	\$ 2,892,274.25
a) Works				158,120,461	\$ 1,505,909.15
W2-01-18 Package 1: Efate - Eton and Ekiye	VRAB003	Signed	Island Construction	63,980,021	\$ 609,333.53
W2-03-18 Package 3: Efate - Etas, Maumau and Kaweru	VRAB005	Signed	ATOM LTD - Sandrino	36,590,000	\$ 352,190.48
W2-04-18 Package 4: Epi - Bonkovo, Lamenu, Akama, Mafilau	VRAB006	Signed	Kilson Homes Construction	57,160,440	\$ 544,385.14
b) Works				55,660,237	\$ 530,097.50
W2-05-18 Package 8: Tongva - Malawia, Ere, Nottage, Itakuma and Naworacoe	VRAB007	Signed	MA Builders	55,660,237	\$ 530,097.50
b) Design and Supervision				89,908,098	\$ 856,267.60
S2-02-17 Asbestos Specialist	VRAB002	Signed	Dale Austen	7,381,500	\$ 70,300.00
S2-03-17 Land Registration Officer	VRAB002	Signed	George Tambe	2,276,598	\$ 21,681.89
S2-04-17 Safeguards Officer	VRAB002	Signed	Hannington Alatos	4,600,000	\$ 43,809.52
S2-05-17 Survey and Documentation of School Buildings	VRAB011	Signed	Kramer Ausenco (KA)	35,490,000	\$ 338,000.00
S2-05-18 Supervision of 2018-2019 Works	VRAB001	Signed	Cyril Manguy	40,160,000	\$ 382,476.19
Part 3: Public Building				203,722,881	\$ 1,940,313.16
a) Works				125,839,757	\$ 1,198,473.88
W3-01-18 Package 1: Public Buildings - Catering Building	VRAC001	Signed	RN Go Edan Construction	4,546,588	\$ 43,300.84
W3-02-18 Package 2: Public Buildings - Remediation of Public Buildings in Port Vila	VRAC002	Signed	MA Builders	80,676,530	\$ 768,347.90
W3-03-18 Package 3: Public Buildings - Meteo and MIPU building	VRAC003	Signed	Fletchers Company	40,616,639	\$ 386,825.13
b) Design and Supervision				77,883,125	\$ 741,839.29
S3-01-18 Survey and Documentation of Public Buildings	VRAC008	Signed	Kramer Ausenco (KA)	37,733,125	\$ 359,363.10
S3-02-18 Supervision of Public Building Works			Cyrlly Manguy	40,160,000	\$ 382,476.19
Part 4: Project Implementation and Technical Support				357,180,289	\$ 3,402,717.04
a) PST				336,474,289	\$ 3,204,517.04
S4-01-16 Project Manager/Coordinator - Lawrie Carlson	VRAD001	Signed		117,831,000	\$ 1,122,200.00
S4-02-17 Safeguard Specialist - Iain Haggarty	VRAD001	Signed		64,267,350	\$ 612,070.00
S4-04-17 Project Accountant - John Colwick	VRAD001	Signed		13,876,460	\$ 132,156.76
S4-05-17 Monitoring and Evaluation Specialist - Ty Morrissey	VRAD001	Signed		20,779,500	\$ 197,900.00
S4-06-17 Procurement Specialist - Ian Gormie	VRAD001	Signed		54,576,900	\$ 519,780.00
S4-07-18 Contracts Manager - Paul Thompson	VRAD001	Signed		43,789,200	\$ 417,040.00
S4-08-18 Procurement Officer - Odile Siro	VRAD001	Signed		4,904,496	\$ 46,709.49
S4-09-18 Junior Accountant - Leitang Morris	VRAD001	SIGNED		4,398,433	\$ 41,870.79
Jennifer Cavill	VRAD001	Signed		5,763,450	\$ 54,890.00
John Mc Fallan	VRAD007	signed		6,289,500	\$ 59,900.00
d) Training and Capacity Building				20,706,000	\$ 197,200.00
S4-10-18 DRE International Consultant				20,706,000	\$ 197,200.00

Foreign Exchange rate is 105 (VUV/USD)

4.9 Safeguards

Nine (9) activities screening forms were finalised, some a second time due to design changes, over this quarter.

In addition to these screening forms, a total of seven (7) Environmental and Social Management Plans were completed for inclusion within tender documents. This work required several revisions due to scope and design changes.

Draft template ESMPs were also worked on and these are now completed for Roads, Public Buildings and Schools as scheduled in the last quarterly report. These templates are essentially standardised documents with changes now only required to key parts in order to ensure they meet the differences in individual sub-project /activity conditions and specific requirements. However, some further work is envisaged over the next quarter (Q3 2019) to ensure compatibility of ESMPs with likely changes to tender and contract line items to help ensure integrated and effective inclusion of safeguards into contract terms and conditions.

Six (6) Contractor ESMPs (CESMPs) were reviewed, completed and approved by the SS over this quarter.

In terms of capacity building; the SS gave presentations on VIRIP safeguards systems at all pre-tender meetings for schools and roads packages and either the SS or Safeguards Officer continues to attend all initial pre-start meetings to set expectations with Contractors. The SS met again with supervising consultants to reinforce requirements for effective supervision of safeguards.

The SS attended two full day workshops refining proposed Codes of Environment Practice (COEP) developed by a R4D consultant for all PWD works in water (i.e. river crossings). While focused on PWD road needs, these will need to be adapted for wider use under VIRIP.

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 Imafen Road communities on Tanna.

The strategy of using local consultants for safeguards management continues to show positive results. Under Parts 2 & 3, the design consultants are now reasonably adept at developing draft safeguards screening forms and ESMPs all of which are still reviewed and approved by the SS.

The supervision consultants are taking greater responsibility for enforcement of safeguards requirements however some still have to take a firmer line with Contractors regarding minor issues such as tidy sites and waste management.

In terms of Monitoring and Enforcement, the SS attended a World Bank training course in Manila. The workshop focused on the use of Kobol for real time location confirmed reporting from the field. It is intended that Kobol based questionnaires will be used for some monitoring and auditing activities for VIRIP starting later in 2019.

4.10 Procurement

Procurement Strategy Development

Procurement strategies to date have relied upon anecdotal knowledge, in the absence of sound industry information. The VIRIP Procurement team is currently conducting a market survey of a minimum of 20 Vanuatu based construction companies to better understand their capability and capacity.

VIRIP is also seeking to clarify the works to be conducted for the life of VIRIP. By understanding the level of demand and likely cost and the construction industry capability and capacity VIRIP will be able to refine its' procurement strategies.

As part of the Construction Industry Market Survey 17 construction companies have been interviewed with results recorded and summarised in tabular and graphic form. These results will be updated as the last 3 survey results are collected.

Procurement Environment

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 financial capacity; and we are closely monitoring this situation. The market survey should further inform us as to capacity limits.

VIRIP PST introduced an Excel Workbook for use by Bidders in submitting quotations in either a Bill of Quantities or a Priced Activity Schedule. This approach continues to minimise arithmetic errors; with a flow-on effect of improving procurement efficiency.

Pre-quotation briefs are now beginning to focus more upon "site" issues, as attendees have come to better understand the Bank's procurement processes.

The VIRIP Procurement Officer provides a ni-Vanuatu counterpart to whom the Procurement Specialist is transferring his skills, knowledge and experiences. She continues 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.

Procurement Operations

"Delays" as identified through the STEP system increased from 1 at the end of the March quarter to 3 at the end of the June quarter. Two of the 3 delays shown on STEP were because STEP had not been updated as at 30th June 2019 (where contracts had actually been put in place), and STEP system went down for a week of planned maintenance in the first week of July 2019 – without clear notification to VIRIP of the planned maintenance. It is anticipated that STEP "delays" will remain low in coming quarters.

The IPS has sought from Kramer Ausenco (Scoping & Design Services consultant) a list of proposed works for Schools and Public Buildings and their Rough Order of Magnitude costs out to the life of VIRIP. These lists will also incorporate an estimated date for issuing of the related Technical Packs. Provision of this information will assist with both procurement strategy development and procurement resource planning out to the end of VIRIP.

During the second quarter of 2019 5 ITQ (< USD 1m) contracts were executed, along with 14 IBC contracts (< USD 50k each). Activities undertaken also included:

- Update of the Annual Procurement Plan 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.
- Conduct a Survey of 20 Vanuatu based Construction contractors.
- Develop a suite of procurement reports from a combination of STEP and locally based data.

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

Contract Name	Contract Signature Date	Initial Expiry Date	Contractor	Contract Value USD 1 = VT 115
Tanna - Imake Hill Road Improvement - 348M FRC	28/6/2019	28/12/2019	Pierre Brunet	\$325,515
Iatukey Road Improvement - FRC	28/6/2019	28-12-19	Pierre Brunet	\$971,787
Schools Package 5 - Nakukasaru, Nuakwanapu, and Greenhill Primary Schools	2019/08/30	29-02-20	Kilson Home Construction	\$554,652
Schools Package 8: Construction of School Buildings at Malawia, Ere, Nottage, and Nawaraone Primary Schools, Tongoa Island	25/04/19	19/02/20	MA Builders	\$484,002
Schools - Package 2 - Construction of School Buildings at Nguna, Pele, and Emau - Re-quote	11/04/19	7/11/19	MA Builders	\$290,087
Improvement Works at Loltong Hill IBC3	22/03/19	20/07/19	VariConstruction Ltd	42,518
Improvement Works at Loltong Hill - IBC1	22/03/19	20/07/19	Leranna Construction	42,518
Improvement Works at Loltong Hill IBC4	22/03/19	20/07/19	Pointwan Construction Ltd	42,518
Improvement Works at Loltong Hill IBC6	03/06/19	01/10/19	Vari Construction	42,518
Improvement Works at Loltong Hill - IBC2	03/06/19	01/10/19	Vari Construction	42,518
Improvement Works at Bwatnapni-Elisli Hill – IBC1	05/06/19	03/10/19	Pointwan Construction	42,518
Improvement Works at Loltong Hill IBC5	22/03/19	20/07/19	Pentecost Construction	42,518
Improvement Works at Bwatnapni-Elisli Hill – IBC2	05/06/19	03/10/19	Pointwan Construction	42,518

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

Procurement Name	Progress	Expected Contract Value
Tongoa - Road Improvements - 1000M Fibre Reinforced Concrete	Preferred Company seeking to show proof of having 30% of price as liquid assets.	USD 362,000
Pentecost - Improvement to South Pentecost Road	Bank reviewing bidding documents.	USD 2,109,560

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. Procurement training 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. Monitoring and Evaluation

The main focus of M&E for the quarter has been on supporting and preparing the team for the upcoming Mid-Term Review (MTR) process which is scheduled for August 2019. Work involved an internal review of progress to date against the DAC criteria of relevance, effectiveness, efficiency, impact and sustainability. Interviews were held with each PST team member and key stakeholders including PIC members from PWD, MoET and NRC.

In addition to the review, the VIRIP results framework was reviewed and updated with relevant information and data. A number of indicators and targets were reviewed and these will be discussed with the MTR team. The “inflexibility” to adjust and change relevant outputs, outcomes and targets means that the program does not fully capture the broad scope of work that is currently being implemented. The focus on physical works delivery tends to under-estimate the importance of institutional strengthening and the building of resilience and capacity.

The internal review process provides an opportunity to brief key stakeholders on the strategic intent and purpose of the MTR and also to critically review and appraise perceptions of VIRIP and discuss possible future directions and priorities. The PST team have been briefed on the findings from the review process and there are a number of key findings and key recommendations that will be discussed with the MTR team during the next mission in August 2019.

7. Conclusions

VIRIP continues to progress a diverse range of activities across roads, schools and public buildings. The planning and design component is nearly complete and procurement is well advanced and will gradually scale down during the remainder of 2019. Contracting efforts have scaled up significantly in the past quarter as new projects come on stream and contract packages are prepared.

The works program across the sectors is progressing well and the narrative above has highlighted the key progress and associated issues that have been experienced during the quarter. There have been some delays with regards to roads which has affected performance but these are expected to improve in the coming quarter. A total of 52% of the roads program is complete and 36% of schools are completed. In addition, nearly half the public buildings have been completed (44%)

The on-going development and prioritisation of the NDRF is notable and requires a potential rethink around the structure and strategic intent of the program. The NRC’s position paper provides useful insights into possible strategic directions.

VIRIP continues to work well with its stakeholders and is well engaged with PWD, MoET, NSDP and NRC. The governance structures established through the PIC are well established, however there is a need to consider the balancing and representation of key members.

A core focus during the quarter has been preparations for the MTR. Work has involved an internal review, consultations with key stakeholders and a review of systems and process, including an update the results

framework. Many of the issues raised in this QPR and the MTR report will be discussed during the MTR period in August 2019.

Appendix 1: Works Program

190630 Works Programme - Implementation and Procurement + Baseline						
ID	Task Name	Duration	Start	Finish	Cost	% Complete
1	Vanuatu Infrastructure Reconstruction and Improvement Project	1722.42 days	Fri 1/07/16	Wed 23/11/22	\$48,636,830	49%
2	Part 1: Road Reconstruction and Improvement	1520.1 days	Mon 3/04/17	Wed 23/11/22	\$25,741,996	52%
3	Services	891.06 days	Mon 1/05/17	Thu 20/08/20	\$1,606,177	67%
4	S1-01-17 Design and Documentation of Roads	697 days	Mon 2/10/17	Mon 4/05/20	\$296,071	64%
5	Consultant selection	199.71 days	Mon 2/10/17	Thu 28/06/18	\$0	100%
12	Design and Documentation	537 days	Mon 7/05/18	Mon 4/05/20	\$296,071	58%
14	S1-02-17 Develop QCM	370.71 days	Fri 1/09/17	Thu 17/01/19	\$102,071	100%
15	Consultant selection	81.48 days	Fri 1/09/17	Wed 20/12/17	\$0	100%
21	Services	284 days	Thu 28/12/17	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%
24	Consultant selection	17 days	Mon 1/05/17	Tue 23/05/17	\$0	100%
28	Services	60 days	Tue 23/05/17	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%
31	Consultant selection	181.29 days	Thu 1/06/17	Thu 1/02/18	\$0	100%
37	Services	134 days	Sat 28/04/18	Fri 26/10/18	\$58,305	100%
39	S1-05-18 Supervision of 2018-2019 Works	703.19 days	Wed 10/01/18	Thu 20/08/20	\$652,390	50%
40	Consultant selection	116.55 days	Wed 10/01/18	Fri 15/06/18	\$0	100%
47	Supervision Services	537 days	Thu 23/08/18	Thu 20/08/20	\$652,390	43%
49	S1-06-19 Design and Documentation of Bridges	237 days	Fri 1/03/19	Thu 16/01/20	\$495,000	37%
50	Consultant selection	117 days	Fri 1/03/19	Wed 7/08/19	\$0	76%
57	Supervision Services	120 days	Wed 7/08/19	Thu 16/01/20	\$495,000	0%
59	2017 Annual Works Plan	917.29 days	Mon 3/04/17	Thu 27/08/20	\$3,195,657	69%
60	W1-01-17 Tanna - King Cross Road Improvement - FRC	619.16 days	Mon 15/05/17	Fri 30/08/19	\$965,320	95%
61	Drafting of Documentation	30 days	Mon 15/05/17	Fri 23/06/17	\$0	100%
63	Bidding/Contract Award	101 days	Fri 23/06/17	Tue 7/11/17	\$0	100%
70	Construction	486 days	Tue 7/11/17	Wed 28/08/19	\$965,320	100%
73	Supervision	486 days	Fri 10/11/17	Fri 30/08/19	\$0	88%
75	W1-02-17 Tanna - King Cross Road Improvement - Bitum	917.29 days	Mon 3/04/17	Thu 27/08/20	\$2,067,297	62%
76	Drafting of Documentation	46 days	Mon 3/04/17	Fri 2/06/17	\$0	100%
79	Bidding/Contract Award	124 days	Fri 2/06/17	Fri 17/11/17	\$0	100%
85	Construction	479 days	Fri 17/11/17	Thu 29/08/19	\$2,067,297	91%
88	Supervision	479 days	Fri 17/11/17	Thu 29/08/19	\$0	91%
90	Defects Liability Period	269 days	Thu 29/08/19	Thu 27/08/20	\$0	0%

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 3: WRC4 Conference Report

Conference Report

Vanuatu Delegation

4th Meeting of the SISRI Practitioners' Network, 12 and 13 May 2019, 2019 Global Platform for Disaster Risk Reduction, including 4rd World Reconstruction Conference 14-18 May 2019

Geneva, Switzerland

Purpose: 4th Meeting of the SISRI Practitioners' Network was held on May 12-13, 2019, in Geneva, Switzerland. The theme of this meeting was "*Bringing Resilience to Scale in Small Island Developing States*". This brought together about 60 government officials from the Ministries of Finance and Planning as well as technical ministries and agencies from selected SIDS to exchange challenges, solutions and discuss how to scale up efforts for climate and disaster resilient development.

The meeting was organized in collaboration with the United Nations Office for Disaster Risk Reduction (UNISDR), the World Meteorological Organization (WMO) and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Islands Developing States (UN-OHRLLS).

The SISRI Conference coincided with the 2019 Global Platform (GP) for Disaster Risk Reduction incorporating the 4th World Reconstruction Conference (WRC4) held between 14-18 May 2019. This brought together around 4,000 delegates to exchange the broader aspects of inclusive resilient recovery.

Collectively, the SISRI/GP/WRC4 is referred to as the 'Conference'.

The Proceedings for the Conference will be available from GFDRR in about 6 months. The release of that document may result in further discussions, analysis and recommendations. The purpose of this report, in the interim, is to document the outcomes and recommendations. The report inter-relates and synthesises a number of sessions throughout the Conference and builds upon the body of knowledge gained from the previous Conference in Brussels in 2017 (Appended).

Outcome: The Vanuatu delegation ²attended all of the sessions for the SISRI session and selected sessions on the GP/WRC4. The central themes of the conference that need to be considered in Vanuatu are as follows:

Summary:

1. Disaster Recovery Financing
2. Innovative technologies
3. Community Resilience, including notably Women, Youth and Children
4. Resilience Initiatives and Cooperation

² Messrs Director Jerry Lapi (DSPPAC), Director Allan Faerua (PWD) and Lawrie Carlson (Project Manager, VIRIP)

Disaster Recovery Financing

In the past decade a wide variety of financial instruments have emerged as important mechanisms to incentivize policy and behavioural change to better reduce disaster risk, prevent the creation of new risk, respond to and manage residual. The role of financial instruments and the need for leveraging public, private and blended finance is clearly recognized in all 2030 agenda agreements, notably the Sendai Framework for Disaster Risk Reduction, Agenda 2030 on Sustainable Development, Paris Agreement on Climate Change, Agenda for Humanity and the Addis Ababa Action Agenda.

Instruments include, but are not limited to, forecast-based financing, early warning early action mechanisms, mutual insurance, catastrophe bonds (cat bonds), social impact bonds, sovereign catastrophe risk pools, micro-finance, micro-insurance and other mechanisms. Yet, while these tools can be an important component of disaster risk management, challenges and limitations in their use have emerged. Coverage of the tools remains limited and disaster risk financing rarely covers frequent losses from small-scale disasters. These challenges indicate that disaster risk financing efforts on their own cannot curb the effects of disaster and must be seen as part of comprehensive disaster risk management measures and strategies. This implies that short-term, ex-post disaster risk financing efforts have the potential to erode the resilience of the poorest households and communities.

Vanuatu is in the process of developing national frameworks and strategies for disaster risk reduction and recovery, climate change adaptation and sustainable development. This is now an opportunity for Vanuatu to develop comprehensive strategies where long-term resilience building mechanisms, risk financing and risk transfer mechanisms complement each other.

In this regard is key to ensure strategies are employed and tailored to Vanuatu's specific risk profiles, fiscal and political realities. Support must thereby also focus on regulatory frameworks, standards and normative mechanisms as the critical basis for an enabling environment for risk-informed investment decisions. So far, these kinds of frameworks are largely missing in Vanuatu. Good understanding of hazards and available financing tools, informed sequencing and layering of the instruments, flexible financing arrangements and maintaining the balance between physical risk reduction and fiscal risk reduction are key considerations to be addressed in the development of the strategies.

Summary Outcome of the Relation Sessions:

1. A comprehensive disaster financing strategy was strongly promoted by a number of Panellists, involving a range of financing instrument to address specific hazards prior to a disaster and funds for recovery efforts after a disaster. Some innovative instruments are available, such as Venture Capital for green solutions, debt conversion to fund Blue Bonds, accelerators for climate/disaster risk financing, which are off-budget and other ex-ante instruments, including insurances.
2. Establishment of a Disaster Recovery Fund was mentioned by a number of Panellists and Delegates. Jamaican Delegate gave a good presentation on comprehensive Disaster Recovery Financing, which could serve as a good example for Vanuatu. The Barbados Delegate indicated that his Government used dormant bank accounts to initially fund a Recovery Disaster Fund.
3. Panellists and Delegates promoted the use of funds at community levels to improve resilience and recovery efforts. A number of presentations suggested extremely high levels of efficiency and effectiveness for investments made at community level. Cash for women in recovery was strongly promoted.
4. Catastrophic Draw Down Option (Cat DDO) was mentioned in a number of sessions, indicating its availability and limitation. It was subsequently clarified that Cat DDO could be established to be triggered without a State of Emergency.

5. The EU-funded Global Change Alliance³ Plan (GCCA+), which Vanuatu has utilised, was mentioned as part of the suite of resilience initiatives.
6. There is an apparent insurance deficit within the private and public sectors, yet there is plenty of funds and products available and lack of data may not necessarily be a constraint.
7. Ugandan Delegate described their Disaster Risk Financing Strategy, which may serve as a good example for Vanuatu. They also considered within this strategy the 'Safeguards Financing', creating reserves of food and water as part of adaptive social mechanisms.
8. A Kenyan Delegate described comprehensive insurance model introduced in that country, with some insurance products under-written by the Government.
9. A Delegate from International Mutual Insurance Association indicated that insurance schemes need to be well thought through. He indicated that it is in the insurance companies' interest to be involved with public education, awareness created and capacity development.
10. The ILO Delegate indicate that an insurance scheme(s) should be part of the development programme. Data is important, but not necessarily a limiting constraint. Insurance enables people to concentrate on day-to-day matters and should be fully integrated with other financing instruments. Education is important as there is a danger if not set up properly. For example, over-reliance from government support. In this context, M+E and reporting is very important.
11. A GIZ ACRI+ Commissions Report on Disaster Risk Finance – 'A Toolkit'⁴ was presented at the conference. This is an excellent document about different financing instruments for individuals, communities and government, what the funds can be spent on, when the funding is needed and the risk level being addressed. This document should be referenced, as part of the development of the NDRF.
12. A number of Panellists referred to a commonly-known metric, that USD1 spent on Disaster Risk Reduction (DRR) in advance of a disaster saves USD7 throughout Disaster Recovery.

³Website gcca.eu/about/what-we-do

⁴ Website <https://www.preventionweb.net/publications/view/65389>

Preface of “30 Innovations for Disaster Risk Reduction”

It has never been more important to connect sociological and scientific research and technological innovation to policy and practice. In 2018, the world faced a seemingly unending cycle of disasters: heatwaves, droughts, floods, typhoons, earthquakes, tsunamis, volcanic eruptions. This increased frequency and intensity of extreme events requires us to accelerate our disaster risk reduction (DRR) efforts and create innovative solutions to minimize the damage and wide-ranging secondary impacts of future events. The Sendai Framework for Disaster Risk Reduction 2015-2030 (SFDRR) encouraged an increased focus on science and technology as a key tool to confront such global challenges. Innovative approaches and technological responses in DRR need to take account of underlying disaster risks such as inequality, climate change, urbanization, the increase in population density, and environmental degradation.

The Association of Pacific Rim Universities (APRU), is a network of 50 leading research universities from around the Pacific Rim – the North and South America, East and Southeast Asia, and Oceania. APRU established the Multi-Hazards (MH) program in 2013 with the major objectives of harnessing its members’ collective capacities for cutting edge research on DRR and contributing to the discussions for science based policy-making at international and regional levels. The APRU program hub has been hosted by Tohoku University at Sendai in Japan. The International Research Institute of Disaster Science (IRIDeS) established in 2012 after the 2011 Great East Japan Earthquake and Tsunami is honoured to contribute to the program as the secretariat through various activities such as organizing the summer school and the academic conference and meetings. This publication is one of the collaborative efforts among the member universities under the APRU MH program and aims to share the most effective technological and other innovations for DRR.

This publication features 30 innovations across its member network for DRR including products and approaches. As a group of academic researchers and experts, we strive continuously to share data, information, and research findings, aiming to translate these into practice. We believe such collaborative efforts across academia, the private sector, governments and other stakeholders will contribute to the implementation of the SFDRR. The innovations introduced in this report are not only high-tech products but also provide contextual approaches, traditional ideas and social science insights, offering solutions that do not require large budgets or the use of advanced technology. Economies and regions can identify the most suitable solutions for their own geographical conditions, financial and human resources and availability of technology. In this way, we intend this publication will support the development of localized innovations for reducing future disaster risks, providing increasingly effective and prompt responses, promoting “build back better” in the recovery stage, and building disaster-resilient communities

Summary Outcome of the Relation Sessions:

1. A Session was devoted to the presentation of the above-mentioned report⁵ that provided 30 DRR innovations that could be suitable to Vanuatu. The 30 Innovations listed included 14 products and 16 approaches. The online survey related to the 30 Innovations in DRR publication was conducted from December 2018 to January 2019. A number of responses was provided from across a number of sectors. The question asked participants to select three innovations considered most effective. The top ten innovations selected were as follows:

⁵ Website

http://collections.unu.edu/eserv/UNU:7274/n30_Innovations_for_Disaster_Risk_Reduction_final.pdf

1. Community-based disaster risk reduction/risk management
 2. Hazard mapping
 3. GIS and remote sensing
 4. Assessments and index approach: Vulnerability assessment, resilience, sustainability
 5. Disaster risk insurance
 6. National platforms for disaster risk reduction
 7. Social networking service/system (SNS)
 8. Drones
 8. Disaster resilient materials
 10. Indigenous DRR technology
 10. Crowdsourcing
2. The Panellists and Delegates expressed surprise that “*Community-based disaster risk reduction/risk management*” was ranked so highly, yet in Vanuatu it is expected community-based solutions to DRR would similarly rank highly.
 3. The Indigenous DRR technology, which ranked so low on this ranking, may according to the Vanuatu Delegation rank more highly in Vanuatu where local knowledge of DRR is far more advanced than in many other countries.
 4. The Session concluded highly recommending the use innovative technologies to accelerate the progress of DRR.
 5. In other Sessions, Panellists highly recommended Community-led DRR measures. Evidence suggest excellence returns on investment, when communities are directly involved with identification and implementation of DRR measures.

Community Resilience, including notably Women, Youth and Children

Extract from Session Concept Note – “Promoting Locally-Led DRR/DRM”

It is at the local level where risk reduction actions and measures have greater impact. Thus, it is essential that local communities and actors – including local governments (politicians and civil servants), the local business community, NGOs, indigenous and other community-based organizations (including faith-based organizations) and representatives of at risk groups (including girls, women, elderly, persons with disabilities and, depending on the context, smallholder farmers)– lead local DRR / DRM processes and implementation, and consolidate development pathways that include DRR within and across sectors.

In particular, effective DRR/DRM actions need implementation within and across all key sectors such as agriculture, environment, health, infrastructure, communication technology and education to name a few. Sectoral DRR policies, programmes and plans elaborated through inclusive approaches, sector and hazard-specific early warning systems, and other technology options (particularly inexpensive, small scale, accessible and easy to use for local implementation) are needed to implement disaster and climate sensitive interventions at local level and tailor investments to those most in need and at risk. In this regard, it is vital to make sure that all DRR/DRM interventions are designed in an inclusive manner and leave no one behind. To strengthen locally-led DRR/DRM action, it is essential to invest in local capacity development and empowerment enabling local actors to lead, implement and monitor these actions with the support of the authorities with relevant responsibilities. It is therefore important to institutionalize mechanisms for locally-led DRM, integrated within regional, national or global strategies and frameworks for DRR/DRM.

Summary Outcome of the Relation Sessions:

1. The Conference has sought to form new innovative measures to address the effects of disasters and climate change. Paradoxically, however, it was noted in isolated Sessions that indigenous peoples exhibit high levels of resilience through their highly localized knowledge systems, community unity and cultural practices. This is certainly the case in Vanuatu, whereby local communities have to some degree resilience to extreme climate events, compared to developed countries, which have more apparent vulnerabilities to social disruptions and food security. As such, there is an evident need to unpack assumptions of vulnerability and reassert collective community resilience in building capacity for managing disaster risks.
2. The Caribbean Disaster Emergency Management Agency (CDEMA) is a regional inter-governmental agency for disaster management in the Caribbean Community (CARICOM). It has developed and promoted a Community Engagement scheme, which appears to be highly effective for DRR and serve as a good example for Vanuatu.
3. A presentation by a Solomon Island Delegate described the Increasing Resilience to Climate Change and Natural Hazards Project - Solomon Islands and their pilot investments, including: investments that support improved rural water supply systems, disaster resilient building design and land use planning, promotion of flood tolerant crop varieties and land-use practices, small scale irrigation for improved food security; and flood protection investments to protect against river and coastal flooding of benefit to multiple communities such as sandbags.
4. A number of sessions attended demonstrated the need for inclusion of women at the community level (*as well as other levels*) throughout recovery, strongly suggesting evidence of significant social, economic and environmental benefits.

5. There is good evidence that youth and children can be very good first responders and proponents of good DRM, such as “Hazard Hunting”.

Resilience Initiatives and Cooperation

1. Across a number of Sessions of SISRI/GP/WRC4 there were recurring comments about the need for resilience initiatives and cooperation to foster greater critical mass with regional efforts and learn from each other. There appears to be evidence that there has been considerable progress in this area. In the Pacific there are good examples of this occurring, such as the Pacific Resilience Program⁶.
2. On some occasions the Vanuatu Delegates were unaware of some international and regional initiatives, such as the SIDS Accelerated Modalities of Action (SAMOA) Pathway⁷ and Framework for Resilient Development in the Pacific, which highlighted the need for better internal communication and regional assistance.
3. The Pacific has been applauded for the merging of climate change initiatives with those of disaster risk reduction, which has significant benefits, for example in terms of management and reporting. However, were on some occasions it is now difficult to differentiate between the two and climate change and disaster risk reduction are combined and even inter-changed.
4. Resilience⁸ initiatives, funded through a number of agencies, occur across climate change and DRR programs. There appears to be some evident disconnect between this overarching initiative to improve resilience with the sometimes disparate and non-connected climate change and DRR programs.
5. In regards to items 3 and 4 above, there appears to greater need for regional support, especially through SPC, to further understand, cooperate and manage climate change, DRR and resilience initiatives. The Framework for Resilient Development in the Pacific⁹ is an outcome of the Pacific Island Forum Leaders meeting in 2013. It was decided to support the development of a single integrated regional framework on climate change and disaster risk management. This roadmap document outlines the process for the development of this new framework. However, SPC acknowledges that whilst the framework has been in place for some time, it is not well understood and operationalised in member countries.
6. Caribbean resilience pathway¹⁰ is a good example of an integrated climate change and DRR approach, however it is unclear how effectively it is being implemented.
7. Pacific Risk Information System is managed through SPC. Apparently there is a need to provide more, regular information.
8. Concerns were expressed at the Conference about compounding vulnerabilities of climate change and disasters, particularly SIDS. Comments from sessions asserted that the Pacific should not be seen as a boutique problem for resilience to compounding global problems – but should be leading in the development of innovative solutions.

⁶ Website <http://www.worldbank.org/en/news/press-release/2016/06/21/pacific-resilience-program-launched>

⁷ Website <http://www.sids2014.org/index.php?menu=1537>

⁸ UNDRR definition of Resilience is, “*The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management.*”

⁹ Website http://gsd.spc.int/frdp/assets/FRDP_2016_Resilient_Dev_pacific.pdf

¹⁰ Website <https://www.cdema.org>

9. CDEMA (Caribbean) Session indicated that SIDS countries require 5% of GDP for resilience measures alone to stem the influence of climate change and DRR. But with small economies, under increasing pressure, external funds are required together with other measures like debt forgiveness, if countries are to meet the climate change/DRR targets.

Recommendations: WRC4/SISRI/GP Conference highlighted a number of recommendations for consideration by the Government:

Appendix

Conference Report, Vanuatu Delegation, 3rd World Reconstruction Conference 6-9 June 2017, including ACP Special Event

Conference Report

Vanuatu Delegation

3rd World Reconstruction Conference 6-9 June 2017, including ACP Special Event

Purpose: 3rd World Reconstruction Conference brought together 500 delegates from all over the World to share and develop knowledge of longer term reconstruction ¹¹(not immediate response and early recovery), including tools and resources increase resilience ¹²and build back better after natural disasters.

Outcome: The Vanuatu delegation attended all of the sessions, including the ACP Special Event on 9 June 2017. The central themes of the conference that need to be considered in Vanuatu are as follows:

13. **Policy and Planning:** Government must be well prepared prior to disaster for reconstruction, including having an integrated policy framework in place, institutional structures developed, training completed and systems tested and refined.
14. Reconstruction efforts should be integrated with international agreements such as Sendai.
15. Reconstruction efforts can be to the detriment to development goals and initiatives. The competition between continued and repeated humanitarian responses and reconstruction efforts and development goals must be well understood. At present, the year-on-year impact of natural disasters represent around 6.6% GDP, in context with anticipated growth of 2% GDP, how can development occur? However, it is well noted that the efforts do not need to be mutually exclusive. Evidence suggests that a well-structured Reconstruction Programme can still support development goals.
16. Government must understand and address the long term impacts of disasters and to the fullest extent possible introduce resilience either prior to a disaster or as part of reconstruction.
17. The reconstruction efforts must be integrated and contiguous with the preceding response and early recovery phases to maximise coordination and minimise the socio-economic effects of the disaster and impacts on the environment.
18. Evidence suggests that well understood and fully scoped disasters have a much better chance of being fully funded.
19. **Funding:** Government must have either secured or ability to secure flexible funding prior to a disaster.
20. Government should explore a suite of funding opportunities to minimise the fiscal impact and provide liquidity immediately after a natural disaster. The PCRAFI insurance scheme can be complemented by a newly introduced scheme by the World Bank, called the Catastrophic Draw-down Option (Cat DDO). Once Cat DDO is established, this funding facility can provide funds immediately after a declared natural disaster to be a cash injection into the Government's budget. Funds up to around USD10 million can be used flexibly and for a range of activities.

¹¹ The term 'reconstruction' and 'recovery' are used similarly by different international agencies. For the purpose of this report, the reconstruction includes the humanitarian normalisation of people's lives after a natural disaster.

¹² For the purpose of this report, the terms 'resilience' is the strengthening of the environment, social and infrastructure to withstand a future natural disaster.

This facility is now being explored further to possibly leverage off regional funds, so not to have an impact on the Government's lending capacity.

21. **Leadership:** Government must ensure that the reconstruction efforts are well led and has the authority and capacity to direct and manage the Disaster Recovery Framework, as promoted by GFDRR.
22. The agency that leads the response and early recovery phases after a disaster should also lead the reconstruction efforts.
23. **Partnership:** Partnerships with local stakeholders including private sector, NGO and Civil Society, insurance companies and others must be well established prior to a disaster.
24. **Data:** Data for damage and needs assessments must be routinely collected prior to and available at the time of a disaster.
25. Baseline data collection must be of sufficient detail and scope and readily available at the time of a disaster for inclusion into a rapid needs assessment and PDNA.
26. **PDNA:** The Post Disaster Needs Assessment (PDNA) is now considered as best practice and is commonly integrated to post disaster funding decision making and agreements. Governments must have a tailored PDNA template in place prior to a disaster.
27. A PDNA is limited in scope and has a short time horizon because some information is unavailable at the time of its development and the Government has not chosen appropriate measures to undertake reconstruction. As such a Disaster Recovery Framework template should be in place prior to a disaster that should naturally follow on from the implementation of a PDNA.
28. A rapid needs assessment should be considered for more challenging and complex disasters, to reduce the timeline to implement reconstruction. A PDNA could be developed after the rapid needs assessment is complete.
29. **Learning and Toolbox:** Government must learn from previous experience and the experience of other, notably other natural disasters in the Pacific. These lessons learnt must be instituted into the current policies, practices and procedures.
30. Government should develop its 'toolbox' of policies, practices and procedures during periods of non-disaster and where possible share these practices with other countries.

Recommendations: WRC3 highlighted a number of recommendations for consideration by the Government:

1. **Policy and Planning:** It is recommended that the Government undertake a policy review for response, early recovery and reconstruction efforts to ensure that the Government and other partners are well organised, highly focussed and ready for a future natural disaster and that all efforts can be completed in an effective and timely manner and in line with development policies. As part of the policy review, the socio-economic impacts of a disaster must be understood in context with the development policies and addressing the current imbalance in economic impacts of natural disasters and the future development goals.
2. **Funding:** Where possible, funding arrangements are in place including insurance (sovereign and private). Government should fully explore the Cat DDO facility.
3. **Leadership:** Government should consider re-aligning current institutional arrangements, so that there is single leadership and institutional arrangements throughout the response, early recovery and reconstruction phases.

4. **Partnership:** It is recommended that a Partnerships Conference be convened to gain commitments from key stakeholders, funding arrangements, including insurance and operational arrangements prior to a disaster.
 5. **Data:** It is recommended that the current arrangements for data collection across all agencies be reviewed to assess their ability to provide adequate data in a timely manner for a future disaster and if required subsequent recommendations be provided.
 6. **PDNA:** It is recommended that the PDNA for TC Pam be reviewed in terms of effectiveness and the structure of the PDNA be reviewed for future use. It is recommended that a rapid needs assessment also be considered for fast-tracking of activities, where appropriate.
 7. **Leadership and Toolbox:** It is recommended that a central repository be established to collect lessons learnt to be instituted into the current policies, practices and procedures. It is further recommended that the Government develop its own 'toolbox' of policies, practices and procedures during periods of non-disaster and where possible share these practices with other countries.
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