



QUARTERLY PROGRESS REPORT – JANUARY- MARCH 2020

Vanuatu Infrastructure Reconstruction and
Improvement Project

[Abstract](#)

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

Date: 30 April 2020

**Republic of Vanuatu: Vanuatu Infrastructure Reconstruction and Improvement Project
Quarterly Progress Report – January-March 2020**

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

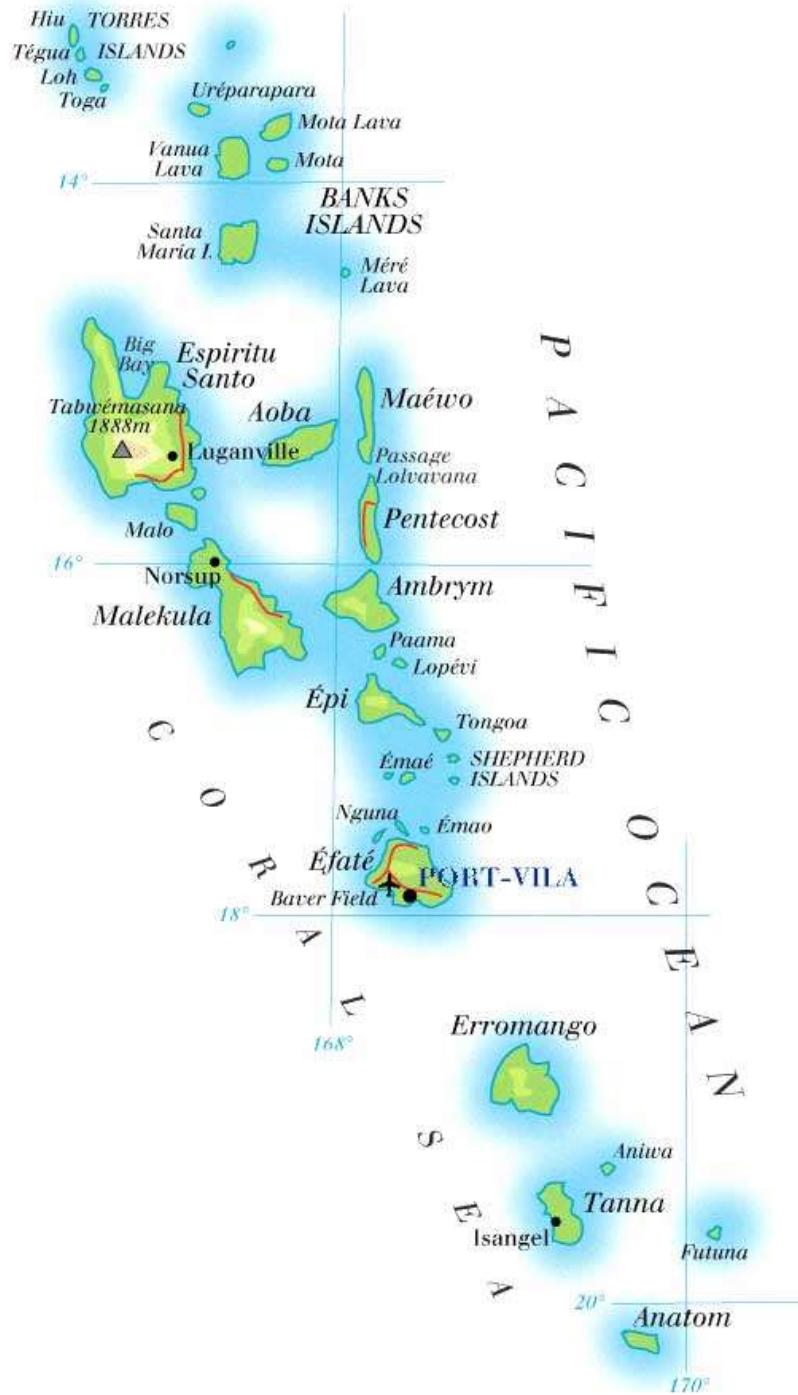
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Abbreviations

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)	5 - 13 August 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.

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.*

The overall operating context changed considerably during the period, as a result of the COVID-19 pandemic. This resulted in a new immediate objective developed by Public Works Department to respond to the potential impacts of the pandemic:

Objective: *As a result of COVID 19 PWD will implement a **Response Plan** that will highlight measures to keep its Workforce safe and maintain business continuity*

The Government of Vanuatu initiated a COVID-19 Preparedness and Response Plan Vanuatu, dated 12 March 2020. Accordingly, Public Works Department (PWD) initiated its own plan, called a PWD Response Plan to the COVID-19 to meet the above objective. The respective manager of each sub-unit of the Department, including VIRIP, was required to analysis with its staff how it will meet that objective. A State of Emergency (SoE) was declared on 26 March 2020, in accordance with the Disaster Risk Management Act.

Operating Context

The overall operating context changed dramatically during the quarter with the outbreak of COVID-19 globally which forced the shutdown of Vanuatu and the issuing of a SoE. Compounding the situation was the impact of TC Harold.

It is anticipated that the COVID-19 outbreak will affect VIRIP current and future program for at least 12 months.

It is expected that islands and island groups will be quarantined and isolated as the outbreak spreads. Mobilising contractors to the outer islands will be problematic in the immediate to short term, as contractors and consultants will find it increasingly difficult to secure materials, mobilise labour away from families and deal with heightened anxiety of non-local people moving to different parts of the country (either infected or not).

VIRIP has sufficient resources to perform its current workload.

Status of Implementation and Key Results

Despite the challenges of the operating context, the project is progressing well and generally on track to meet the indicators. At this stage, it will be difficult to complete all works under VIRIP within the project closing date.

Project Implementation

Works Programme

The current physical and financial completion is shown below:

Practical Completion	Time Completion	Disbursements	Financial Commitment	Financial Expenditure
65%	62%	31%	56%	32%

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 this report. Practical completion has been reconciled against contract implementation records, including variations and extensions of time.

Total disbursements and financial commitments are still lagging, mainly as a result of a considerable amount of procurement occurred during 2019 which will continued into early 2020. As a result of the pandemic is expected that this lag will continue.

If the CERC Components (Part 5) is activated it is expected that there will be considerable impact upon the program and cash flow.

Institutional Stream

The MTR approved the Working Paper and Work Plan, with some revisions. The paper was finalized in August 2019 and submitted to Government. The MTR likewise approved in principle the continuation of VIRIP budget support for the NDRF preparation and roll-out. Immediate approval was given to the financing of two national consultancy positions for the NDRF team: those of National Team Leader and of National Disaster Recovery Specialist. Terms of reference for these were subsequently finalized and advertised. The two successful candidates were selected, contracted and started work during the period.

As a result of the pandemic, the Departments of Strategic Policy and Planning and Aid Coordination (DSPPAC) is reviewing the role of these two Consultants and how the development of the NDRF will be effected.

Project Management

A key focus in the quarter has been to review and update manuals and strategies in line with a possible request to enact the CERC component of VIRIP. The review is necessary so as to ensure all systems are aligned and prepared for any specific request for resources (both financial and technical) to support the CERC.

Additional Financing

During the Mid Term Review the proposal for additional financing was discussed. It was agreed that the Government will further consider whether or not to request for additional financing under VIRIP. During the period the Project Implementation Committee (PIC) reviewed such a request and referred the matter to the National Recovery Committee (NRC). The PIC and NRC endorsed the development of an Additional Financing request and the World Bank will be requested to explore the opportunity.

Financial Management and Performance

To date, total revenue received from the World Bank stood at Vt.2,042.3 million and the expenditure to date reached Vt. 1,728.7 million. In the 2019 fiscal year, total expenditure reached Vt. 1,063.1 million and in the current report quarter, expenditure was Vt.183.4 million.

During the quarter there were three withdrawals (one under grant and two under credit).To date, total value of disbursement by the World Bank stood at Vt. 2,042.3 million which is equivalent to about USD 17,732,625.37. The remaining balance that yet to be disbursed is about Vt. 2,957.7 million which is equivalent to USD 30,212,540.63. The current cash flow is positive and the balance ranges between Vt.60 million and Vt.90 million.

Safeguards

Five activities screening forms were finalised over this quarter with two updated with further details in response to World Bank queries. In addition, a total of four Environmental and Social Management Plans were completed for inclusion within tender documents. This work required several revisions of these ESMPs due to scope and design changes done and remains in draft pending design decisions (Bridges Package). Three Contractor ESMPs (CESMPs) were reviewed, completed and approved by the SS over this quarter.

Three non-conformance notices that included safeguards elements were raised in this quarter for two contracts. These were of relatively minor breaches of safeguards requirements (waste management, site clearing and use of PPE) and were swiftly remedied.

Procurement

VIRIP has completed its procurement strategy throughout the period on how procurement will be conducted for the life of VIRIP. This has occurred through understanding the level of demand and likely cost and the construction industry capability.

The Project Manager/Coordinator has assumed the responsibilities of the Procurement Specialist. During the period procurement was expected to intensify and be completed by around early May 2020. A number of upcoming projects are likely to be delayed and these are discussed further in the procurement section of the report.

Monitoring and Evaluation

M&E support during the quarter centred on providing strategic and technical advice with regards to the development of an Emergency Action Plan (EAP) for possible support if a CERC component was to be activated. Work centred on an initial concept paper to consider options relating to emergency responses, possible economic stimulus packages and supporting on-going work. EAP work also involved consultations and discussions with other key stakeholders such as VIRIP contractors and advisers within DSSPAC.

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 July - September 2019.

2. Operating Context (January-March 2020)

The overall operating context changed considerably during the period, as a result of the COVID-19 pandemic. This resulted in a new immediate objective developed by Public Works Department to respond to the potential impacts of the pandemic:

Objective: *As a result of COVID 19 PWD will implement a **Response Plan** that will highlight measures to keep its Workforce safe and maintain business continuity*

The Government of Vanuatu initiated a COVID-19 Preparedness and Response Plan Vanuatu, dated 12 March 2020. Accordingly, Public Works Department (PWD) initiated its own plan, called a PWD Response Plan to the COVID-19 to meet the above objective. The respective manager of each sub-unit of the Department, including VIRIP, was required to analysis with its staff how it will meet that objective. A State of Emergency was declared on 26 March 2020, in accordance with the Disaster Risk Management Act.

Social distancing was an essential part of the plan. However, it is recognised that business continuity must be maintained for existing commitments and responses to the emergency.

VIRIP analysed its current and future workload, reviewed its resource and system requirements, liabilities and programming, as outlined in this sub-unit plan. VIRIP was therefore ready to assist in whatever way possible as part of the response to this pandemic.

Future Business

It is anticipated that the COVID-19 outbreak will affect VIRIP current and future program for at least 12 months.

It is expected that islands and island groups will be quarantined and isolated as the outbreak spreads. Mobilising contractors to the outer islands will be problematic in the immediate to short term, as contractors and consultants will find it increasingly difficult to secure materials, mobilise labour away from families and deal with heightened anxiety of non-local people moving to different parts of the country (either infected or not).

Existing VIRIP contracts will continue, albeit some contracts will require Force Majeure provisions. The form of contract for shopping of works does not have any provision for Force Majeure and this is expected provisions be negotiated with the contractor.

Development of the National Disaster Recovery Framework (NDRF) will remain largely unaffected by the emergency, albeit the NDRF will be finished later than expected. Moreover, the pandemic emergency will provide a live example, and will no doubt provide active learning environment for all involved.

Procurement of works will continue for new contracts in the outer islands, but with delayed start dates.

Government has indicated a need for socio-economic stimulus and sought a response from VIRIP to achieve this aim. The State of Emergency will provide guidance on how these works may be included within the period of the pandemic. VIRIP is currently developing safeguards to provide works that do not expose anyone to increased risk of contracting the virus.

The Government may request VIRIP to invoke its Part 5: Contingency Emergency Response or request the project to be restructured. If so, then there are a number of responses that could be considered:

- Contingent Emergency Response Components (CERCs) can be triggered or added to existing World Bank projects for an imminent or actual emergency. VIRIP has a CERC, which allows funds to be redirected from other parts of the project to cover emergency response needs. These funds can be used to finance the response to the coronavirus, including for example, the purchase of medical supplies; the hiring, training, and transport of medical personnel; and medical waste management.
- Restructuring existing projects in a country's portfolio on a fast-track basis. This restructuring would introduce the objective of emergency support, as well as a reallocation of funds.

VIRIP may be tasked with the construction of new Intensive Care Units (ICUs) for Port Vila and Santo, although most recent indications are that this will be implemented by the Chinese Government.

There is a possibility to concentrate new works on Efate, packaged to stimulate socio-economic activities. If so, the works need to be conducted so that it does not make the transmission of COVID-19 worse but alleviates economic hardship.

VIRIP is in the early stages of developing an Additional Financing request for the Government to submit to the World Bank. The outcome of that process is unknown, however conceivably this will continue existing and future initiatives for response and recovery to the pandemic. It has been decided by the Project Implementation Committee (PIC) that any works that were removed from the project, as a result of the emergency, will be reintroduced as part of the Additional Financing.

The future business of VIRIP will be dependent upon a number of factors, including future decisions by the PIC, National Recovery Committee (NRC), MoFEM and World Bank invoking either individual or combination of: CERC, project restructuring and the Additional Financing request which is yet to be submitted.

Current and Future Workload

It is important to note that if VIRIP's CERC component is invoked or the project is restructured, then the overall program will be affected, except for existing commitments.

Resource analysis would also need to be performed to ascertain the time, cost, human resources and contractor/consultant needs. Fortunately, most of the existing practices and procedures will remain unaffected.

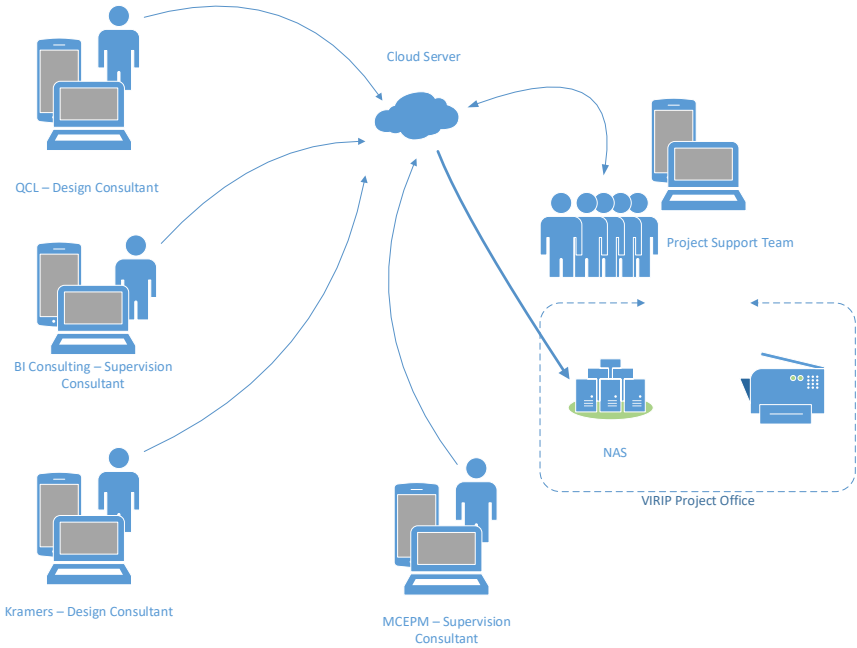
Resource and System Requirements

VIRIP has sufficient resources to perform its current workload. VIRIP has its Project Support Team, consisting on a Project Manager/Coordinator, Contracts Manager, Project Accountant, Safeguards Specialist, Safeguards Officer, Senior Procurement/Contracts Officer, Accounts Officer and Monitoring and Evaluation Specialist.

VIRIP has management systems in place, including design and supervision procedures and has the ability to work remotely, with all information stored centrally.

VIRIP has engaged local consultants who perform the roles of design and supervision consultants for the existing program. If the project has its CERC invoked and/or the project is restructured, then the roles and functions of existing services could then be reviewed/varied accordingly.

VIRIP has a number of small, medium and large-scale contractor that have either completed work for VIRIP or are currently under contract. The role of Island Based Contractors (IBCs) now called Small Scale Contractors (SSCs) appear to fulfil a potentially important function in rolling out infrastructure-led stimulus packages.



Programming

We expect that there will be a delay in 21 Activities for up to 12 months, as follows:

- **Green:** Contract signed/underway
- **Black:** Under Tender/Evaluation
- **Brown:** Under planning/design

Task Name	Notes
W1-05-18 Pentecost - Improvement to South Pentecost Road	Delay start date, until after emergency.
W1-16-19 Malekula - Road Improvements	Out for tender. Delay start date, until after emergency.
W1-17-19 Pentecost - North and Central Pentecost Road Improvements	Out for tender. Delay start date, until after emergency.
W1-18-19 Erromango Dillons Bay Road Improvements	RFQ. AP ready to send to World Bank. Continue, conduct procurement only for start date after emergency.
W1-19-19 Epi - Epi Drainage Improvements	Complete design. Complete documentation, issue for tender with a start date after emergency.
W1-22-20 Improvements to Key Crossings - Culverts	Culverts only. Continue, conduct procurement after emergency.
W2-06-18 Package 6: Shepherds - Senecol, Coconak, Worarana, Makira and Mataso	Design complete. Complete documentation, issue for tender with a start date after emergency.
W2-07-18 Package 7: Paama - Vutekai, Lire, Lehili and Luvil	Design complete. Complete documentation, issue for tender with a start date after emergency.

W2-08-19 Package 8: Tongoa - Malawia, Ere, Nottage, Itakuma and Naworaone	Delay mobilisation date, until after emergency.
W2-10-19 Package 10: Malekula - Lonvat Junior High School	Under Evaluation. Delayed start date, after emergency.
W2-11-19 Package 11: Aneityum - Teruja High School	Delay mobilisation, until after emergency.
W2-12-19 Package 12: Tongoa - Nabangasale High School	Design complete. Complete documentation, issue for tender after emergency.
W2-14-19 Package 14: Ambrym - North Tobol, Linbul, Ranon and Fania	Design complete. Complete documentation, issue for tender after emergency.
W2-15-19 Package 15: Ambrym North - Magham, Olal, Megamone and Fonteng	Design complete. Complete documentation, issue for tender after emergency.
W2-19-19 Package 19: Futuna - Ishia	Under Evaluation. Delayed start date, after emergency.
W3-04-19 Package 4: Erromango - Health Buildings	Delayed start date, after emergency.
W3-05-19 Package 5: Pentecost - Health Buildings - Loltong and Aute	AP sent to WB for review and approval. Issue for tender after emergency.
W3-06-19 Package 6: Pentecost - Health Buildings - Aligu and Bwatnapni	Under Evaluation. Delayed start date, after emergency.
W3-07-19 Package 7: Pentecost and Maewo - Health Buildings	AP to be sent to the WB shortly. Issue tender after emergency.
W3-08-19 Package 8: Pentecost - Penama Headquarters	Under Evaluation. Delayed start date, after emergency.
W3-09-20 Package 9: Malekula - Norsup Hospital Maternity Ward	Complete the tender documentation. Issue tender after emergency

The following contracts have been signed/underway. It is believed these contracts can be easily completed as they are either on Efate, or on islands neighbouring Efate or close to completion.

Task Name	Notes
W1-07-18 Tongoa - Road Improvements	Complete works with haste.
W2-02-18 Package 2: Ngunu, Pele and Emau	Complete the works, as scheduled.
W2-03-18 Package 3: Efate - Etas, Maumau	Complete the works, as scheduled.
W2-04-18 Package 4: Epi - Bonkovio, Lamenu, Akama, Mafilau	Complete the works, as scheduled.
W2-05-18 Package 5: Efate - Nuakwanapu, Greenhill and Nakuskasaru	Complete the works, as scheduled.
W2-09-19 Package 9: Efate - Kawenu	Complete the works, as scheduled.

The following works will be designed, tendered and implemented, as scheduled.

Task Name	Notes
W3-10-20 Package 10: Efate - PWD Shefa Headquarters	Complete the design and works, as scheduled.

In terms of overall project scheduling, at this stage, it will be difficult to complete all works under VIRIP within the project closing date.

Social Distancing and Maintenance of Business Continuity

Based on the aforementioned analysis and acceptance of recommendations, social distancing and business continuity can be maintained for the scaled back workload.

If VIRIP is to assist with the response to the pandemic, for example, constructing ICUs; the purchase of medical supplies; the hiring, training, and transport of medical personnel; and medical waste management, then all management arrangement needs to be reviewed. Furthermore, if VIRIP is to assist in infrastructure-led socio-economic stimulus response in the short term, a comprehensive set of systems

will be developed to ensure safety of staff, Contractors and Consultants during the period of the pandemic. If an infrastructure-led stimulus recovery occurs after the pandemic, then normal VIRIP protocols will apply.

The State of Emergency describe the conditions that VIRIP can function during the emergency. It is expected the Ministry of Infrastructure and Public Utilities will provide the conditions of how to perform essential works and services during the emergency. VIRIP has considered two triggers, as a response to this pandemic:

- Trigger 1: VIRIP has already introduced Workplace measures to already, in line with the World Health Organisation.
- Trigger 2: Further social distancing will be outlined the PWD Response Plan – Draft.

To maintain business continuity, VIRIP must have some social interaction with PWD Staff, Consultants and Contractors. Whilst VIRIP can maintain some social distancing by working from home for example, there will be a need to undertake site visits, brief contractors and consultants (that could not be undertaken by any other means) and the like. It is expected that the conditions of the State of Emergency will require a revision(s) to the PWD Response Plan (when finalised).

In anticipation of Trigger 2 being set to initiative further social distancing, VIRIP Project Manager/Coordinator will introduce clear and comprehensive procedures for VIRIP, based on the approved PWD Response Plan. VIRIP has the following in place:

- Trigger 1 mechanisms.
- VIRIP has developed a map (based on Google Earth/Maps) for the location of its staff, consultants and contractors.
- VIRIP has email addresses, phone numbers including back-up (e.g. Wi-Fi) (refer to Outlook contact file).
- VIRIP has anticipated daily skype call (08:00 and 13:00) to ensure business continuity and consistency with Workplans.
- Mobile phones will be on at all times.
- Laptops for all staff.
- Internet at home for all staff.
- VIRIP developed weekly Workplans for PST staff.
- Staff will rotate through the office at different times to do hard copy filing and printing. A schedule will be established to maintain social distancing
- Staff will use the office vehicle in accordance with the rules provided to PST Staff members.
- Revised the CERC Operations Manual.
- VIRIP has introduced e-approvals/signatures, where possible, for approval of key documents.
- VIRIP has limited field visits to essential visits only to ensure social distancing, as appropriate.

Future initiatives include:

- Review of existing systems and development of others to meet the above-mentioned objective. This will require at the least revision of the Project Operations Manual, revisions of the Safeguards Manual, possible revision of the PWD Contract Administration Manual and associated Quality Control Manual, revision of the Contractor's Quality Plan template and review/revision of the IBC/SSC Contract and associated safeguard documents.
- VIRIP PST staff will have their mobile phones connected to the Government VOIP system.
- *Most importantly, VIRIP will develop a policy and practices on social distancing for contractors and supervising consultant. This policy and practices will form part of future contracts.*

VIRIP PST staff are expected to function during the emergency by working with added responsibilities:

Position	Home-based	Office ²	Field	Additional Responsibilities
Project Manager/Coordinator	80%	10%	10%	
Project Accountant	80%	20%		
Contracts Manager	20%	70%	10%	Provide in-office liaison with third parties, such as printer maintenance and in-office IT support and un-announced visitors at office. ³
Senior Procurement Officer	80%	20%		
Finance Office	90%	10%		Purchase of Office Supplies

Safeguards Specialist, Monitoring and Evaluation Specialist, Safeguards Officer work part time remotely. VIRIP will test these systems in context with the evolving operational environment, with the intention to revise and modify them, as required.

Recommendations

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

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

² Only one person allowed in the office at any one time. Person spending time in office is responsible for disinfecting the office, including hard surfaces, door handles and balustrades prior to leaving for the next occupant.




³ Social distancing to be maintained for all third parties. Disinfection practices to be occur after entry.

	<p>confront these concerns and deal with misunderstandings more generally.</p> <p>Q2/2019: Communications has noticeably improved with regular meetings with Minister and NRC and productions of highly focussed briefs.</p> <p>Q4/2019: Communications are generally considered as good.</p>
<p>Recommendation 2: During the upcoming period, VIRIP must increase the pace of procurement to meet the project requirements and improve perception of project performance.</p>	<p>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.</p> <p>Q2/2019: Procurement has noticeably improved with delivery of technical packs.</p> <p>Q4/2019: Procurement Specialist's contract terminated for convenience. Pace of procurement noticeably increased, however lack of suitable contractors has slowed procurement to the absorptive capacity of the contractors.</p>
<p>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.</p>	<p>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.</p> <p>Q2/2019: Much greater awareness of resilience initiatives, including NDRF. NRC supports the development of the NDRF and Recovery Unit.</p>
<p>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.</p>	<p>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.</p> <p>Q2/2019: New R4D2 team arrived during period, introducing new transition arrangement.</p>
<p>Key recommendation from QPR 3 – Jul-Sep 2018</p>	
<p>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.</p>	<p>Q3/2018: Refer above</p>
<p>Recommendation 2: During the upcoming period, VIRIP must maintain the pace of procurement to meet the project requirements and improve perception of project performance.</p>	<p>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 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>Q4/2019: Refer above.</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</p>

	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. Q3/2019: Procurement Strategy completed.
Recommendation 4: PWD should indicate how the Feeder Roads program will be resourced with Consultants and Contractors and effect current commitments.	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. Q2/2019: This matter is now clarified, and the impact of the feeder program appears to be less than expected.
Recommendation 5: PWD must clarify how the IBCs funded under VIRIP will be supervised and trained.	This has occurred. Refer above.
Recommendation 6: The transitional arrangement with R4D need to be carefully considered as it is likely the transition period will end early and the next phase will be tendered.	Q3/2018: Weekly liaison is occurring between the R4D-T team leader and the VIRIP program manager around regular updates and schedules.
Key recommendation from QPR 1 2019 – Jan-Mar 2019	
Recommendation 1: Communication with stakeholders must improve	Q1/2019: This has occurred during the period. However, a concerted effort is required, including social media and press releases. Q3/2019: Communications Strategy developed. Q4/2019: Refer above.
Recommendation 2: Require greater buy-in from stakeholder for the NDRF, including DSPPAC and NRC.	Q1/2019: This will require a strategy from the DRF Consultant with active assistance from the PST. Q3/2019: MTR agrees to capitalise on progress in Safeguards.
Recommendation 3: Capitalisation on good progress in safeguards.	Q1/2019: Exploit opportunities in this area, requiring a strategy agreed leading up to the MTR.
Key recommendation from QPR 2 2019 –Apr-Jun 2019	
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.	Q3/2019: It was recognised that the project needs to emphasise its ability to improve resilience, across all Parts of the project, and move away from the emphasis of reconstruction. Governance. It was recognised that the role and function of the NRC should be recognised, together with its relationship to the PIC.
Recommendations 2: Governance. The role and function of the NRC should be formalised, together with its relationship to the PIC.	Q3/2019: It was recognised that the role and function of the NRC should be formalised, together with its relationship to the PIC.
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 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.	Q3/2019: It was recognised that the institutional stream is growing in prominence and value. There are significant costs associated with the roll-out of the NDRF and the budget was broadly agreed. It was generally agreed with the Bank that the NDRF is an important 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. It was generally agreed VIRIP has an important role to play but the scope of involvement and level of investments needs to be discussed with the Bank.
Recommendation 4: Perception. The interpretation of VIRIP and its intended inputs, outputs and outcomes should be refined to ensure there is clarity with stakeholders.	Q3/2019: It was agreed to concentrate on VIRIP increasing 'resilience'.
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	Q3/2019: This was generally agreed. Bank agreed to support NDRF.

assisting the Government in identifying means of hastening planning, design, procurement and implementation.	
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.	Q3/2019: It was agreed that resources need to be allocated to effective communications. This will provide adequate exchange of information and direction, reduce misinformation, improve perceptions and meter expectations.
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.	Q3/2019: There was a recognition of the lack of local contractor capacity. VIRIP will have an agreed capacity development programme for local contractors. In line with the NDRF, VIRIP procurement systems must be more fully aligned and harmonised, to the extent possible.
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.	Q3/2019: It was agreed that the results framework was designed to build upon the results framework in the PAD, but there will be changes to the results framework to better reflect the project outputs and outcomes.
Recommendation 9. Coordination. DSPPAC needs to be more integrated into VIRIP, to ensure there is less chance of duplication and inefficiency of recovery efforts.	Q3/2019: Internal issue. Generally agreed.
Recommendation 10. IBCs. Role and involvement of IBCs in the future must be discussed, in line with the PDO, results framework and NDRF.	Q3/2019: It was agreed to continue to use Island Based Contractors, as long as adequate justification is provided.
Key recommendation from AR 2019 –Jan-Dec 2019	
Recommendation 1. Review the Aide Memoire for the Mid Term Review and develop action plan.	Nil because of late delivery of the draft Aide Memoire on 11 March 2020 for review.
Key recommendation from Q1 2020 –Jan-Mar 2020	
Recommendation 1. If the CERC Component is activated, conduct a resource and time analysis.	
Recommendation 2. Consider retrieving activities dropped under CERC (if activated) and augment with other activities to support recovery/stimulus efforts.	

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 2020	QUARTERLY PROGRESS (January-March 2020)	% Progress in QTR	CUMULATIVE ANNUAL PROGRESS (January-December 2020)	% 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>	Overall RAI improves across the entire road network (disaggregated by islands where VIRIP works)	RAI improve on a year-by-year basis (national and VIRIP islands)	0.2% increase in RAI for the entire network. 1% increase for islands where VIRIP works	This is a new indicator that has been included following consultations with the World Bank. The baseline of RAI for the entire network is 2012 – 41% and 2017 – 54%. A total of 27,587 people have improved traffic and pedestrian access to an all-weather road. This figure has not changed from last quarterly progress report. Given data was not collected. Will be included in next report.	50%	The RAI will be assessed again in 2021. Recently PWD has approved its new public roads policy. Unlike its earlier version (RRAF), It has not put similar importance towards RAI. Meaning, RAI achievement is less important under this policy; what they are looking at now is the increase in the length of the road, which is accessible all year round with defined service standards. As per the quarterly calculation a total of 27,587 people now have improved access. This is based on a 2km radius around road improvements. Additional assessment will occur in mid-2020	50%
	# 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)	According to recent calculations. A total of 2,296 children have improved access to school facilities. This number has remained unchanged since the last report given workplans and the recent SoE as well as school closures	0%	No cumulative figure for January-March 2020. Data to be updated in next quarterly report.	90%
	# users/beneficiaries with access to schools facilities that have been reconstructed to higher structural safety standards (new construction) or upgraded (repairs and retrofits) ⁴	3,000	Maintaining workplan targets				

⁴ The focus on schools is primarily around classrooms. However improved classrooms also influence the broader school. The assumption initially was that enrolments would rise with new schools. The baseline for the school is 2019. However, with improvements to classrooms enrolments will not automatically rise. Number of primary and secondary students, disaggregated by gender, with access to school facilities (classrooms, staff houses, WASH facilities) which have been upgraded (repaired or retrofitted) or constructed to higher structural standards based on enrollment figures as of October 2019. Information has been sourced from MoET's Open VEMIS System and is based on 2019 enrollment data.

Intermediate Outcome 1: <i>Communities demonstrating greater resilience to build and maintain safer and resilient communities</i>	% increase in satisfaction with improved infrastructure. % increase in perceptions of resilience	>95% of satisfaction >95% improvement in perceptions of resilience.	Maintaining a >95% increase for both satisfaction and perception.	Baseline work is currently being undertaken by a DFAT funded team who are undertaking a series of community consultations. This work was occurring in the last quarter of 2019.	50%	No available data yet but VIRIP will undertake a sample of assessment based on the data received through the baseline study. This will occur in later 2020.	
Intermediate Outcome 2: School populations with improved access to school facilities.	# of schools with new facilities constructed to structural performance standards required for temporary evacuation shelters	800	Maintaining workplan targets	Number has remained unchanged during the quarter.	50%	A total of 621 students are being reached with facilities that have been maintained to a higher standard. This was included in last QPR.	80%
Intermediate Outcome 3 - Key policies and strategies to guide future emergency responses developed	NDRF reconstruction policy and strategy developed and approved by COM.	NDRF accepted and resourced	NDRF Document prepared for submission	Drafting of the NDRF continue.	5%	Policy and strategy currently being drafted.	60%
Output 1: Infrastructure Provision 1.1 Road Assets reconstructed and improved	#Km of roads improved # physical infrastructure enhancements	23 km 250	1.822km 2	latukuey Road (1.25km) Imake Road (0.572km) 2 enhancements	90%	To date procured 31.94km of road improvements, of which 25.72km has been completed (112% of target) To date 88 enhancements procured with 52 completed (21% of target).	112% 21%
1.2 Schools reconstructed to a higher standard	• # schools/classrooms repaired and constructed each year.	40	4/14	Two(2) school package consisting of 4 schools and 7 double classrooms were completed during Q1 2020. Due to COVID-19 the Project Manager /Construction Supervisor has requested the Contractors to defer their mobilisation to two(2) sites until State of Emergency (SOE) is lifted.	10%	A total of 4 schools and 14 classrooms (7 double) have been completed to date. To summarise packages to date since project start date. Eight(8) packages have been awarded. Two(2) have been completed (Eton/Ekipe & Etas/Maumau). A further three(3) are due to be completed in Q2 2020 and one(1) to be completed in Q3 2020.	10%
1.3 Public buildings reconstructed to a more resilient standard	• # buildings constructed	20	2	Two(2) Public Building was completed during Q1 2020. Due to COVID-19 the Project Manager /Construction Supervisor has requested the Contractors to defer their mobilisation to	10%	To date 13 buildings completed. To summarise packages to date. Six(6) packages have been awarded since project start-date. Three(3) have been completed.	65%

				three(3) sites until State of Emergency (SOE) is lifted.			
1.4 IBC's able to construct assets and buildings to a higher standard	# of IBC contracts signed	30 contracts	1 contracts	One(1) IBC was completed during Q1 2020.	3%	A total of eighteen (18) IBC contracts have been awarded since project start-date. All eighteen(18) have reached Practical Completion.	60%
	% of IBC meeting time, cost and quality	TBC	1 contract	One(1) IBC contract completed on time, on cost and quality.	3%	All 18 on time. All 18 on cost. All on quality.	60%
1.5 Employment opportunities created for women and men and communities as a whole (i.e. labour days)	# of men and women gaining appropriate employment	18,000 days	8,365 days	A total of 8,365 worker days have been generated during the quarter (7,667 days men and 698 days women)	46%	There was an error in the 2019 Annual Report, as the numbers should have been: Total 19,417 (17,284 days men, 2,133 days women) To date numbers are: Total of 27,782 worker days have been generated (24,951 days men, 2,831 days women)	154%
Output 2: Institutional arrangements 2.1 Key policies and strategies to guide future emergency responses developed	• Reconstruction policy and strategy developed	1	Progression of policy and strategy	Limited progress on NDRF during period, because of CIVID-19.	5%	NDRF framework currently in progress and expected to be completed on target.	60%
2.2 Safeguards Framework developed and applied	• Safeguard framework approved	1 safeguard framework	Safeguards framework	3 Documents comprising the framework (RPS, ESMF & GRM) completed and approved.	100%	Completed. Everything approved and sent to Bank for disclosure 13 March 2018. Framework document will be reviewed in 2020 in line with safeguard system improvements as agreed at Mid Term Review. This may change given C19 response. Q2 will likely have reference to CERC and CERIP	100%
2.3 People engaged and supporting community decision making structures (fewer grievances)	• % grievances responded to within agreed timeframes	95% of grievances responded to within timeframes	GRM fully incorporated into all safeguard's management documents.	Zero (0) grievances to during the period and to date. A total of 3 Non-Conformance notices were issued to Contractors via CSRs for safeguards. These were primarily for minor breaches of Health and Safety (use of PPE) and inadequate waste management. All were remedied.	0%	Grievances have been avoided due to proactive community engagement. Contractor performance in safeguards is monitored on a monthly basis and formal audits of larger contracts.	0%

4. Program Implementation (Narrative Section)

The following sections provide further narrative and evidence of progress towards key outputs and the PDO. The information contained below complements the concise information contained in the results framework above.

Legend:

Brown: Under planning

Black: Under procurement (e.g. ready for or out for tender or under evaluation)

Green: Under implementation (i.e. contract signed)

Blue: Completed

Purple: Unallocated (not budgeted and may not be completed)

% Complete: Percentage calculated by MS Project and includes all pre-contract tasks and post-contract implementation.

%Work Complete: Percentage of works/services complete.

4.1 Part 1. Road Reconstruction and Improvement

Progress Overall

Part 1 has increased to 72% complete (compared to 65% in 2019 Annual Report) which is approximately where this Part was anticipated. The 2017 Annual Works Plan (AWP) is 100% complete. 2018 AWP is 83% complete. The 2019 AWP is currently 52%. The 2020 AWP sits at just 1% mainly because of the COVID-19 pandemic.

Services

Task Name	Cost	% Complete	% Work Complete
Services	\$2,098,843	81%	0%
S1-01-17 Design and Documentation of Roads	\$296,071	96%	90%
S1-02-17 Develop QCM	\$102,071	100%	100%
S1-03-17 Pavement Specialist	\$2,340	100%	100%
S1-04-17 Supervisor for Tanna Works	\$58,305	100%	100%
S1-05-18 Supervision of 2018-2019 Works	\$652,390	100%	100%
S1-06-19 Design and Documentation of Bridges	\$490,666	70%	70%
S1-07-19 Supervision of 2020-2022 Works	\$497,000	18%	0%

The value of all Services currently represent 8.1% of the value of the entire Part, which compares well to the Project Appraisal Document (Page 37), which had assumed a design and supervision to be 8.3% of construction costs. However, some changes to the terms of reference of existing Consultant contracts is expected:

- Design and Documentation of Roads is expected to be varied for design and documentation of stimulus-related works.
- Design and Documentation of Bridges has been disrupted because of a lack of geotechnical information required for design of piling for the Bridges. Additionally, there are emerging hydrological problems, land issues, unresolved social and environmental issues and other constraints that will impact upon the Consultants ability to complete the services. It appears

that the three culverts can be completely designed, as anticipated, as they have not had many of the constraints as displayed by the Bridges. However, completion of the designs has been impacted by COVID-19 and delays are expected.

- Supervision of 2020-2022 Works is expected to be varied for supervision of stimulus works.

2017 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2017 Annual Works Plan	\$2,985,474	92%	
W1-01-17 Tanna - King Cross Road Improvement - FRC	\$900,645	100%	100%
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	\$1,928,792	82%	100%
W1-03-17 Malekula - Improvement to Batven Stream (Neramb) Crossing (2 x IBC)	\$75,309	100%	100%
W1-04-17 Malekula - Improvement to Unua 5 Stream (Blacksand) Crossing (2 x IBC)	\$80,728	100%	100%

- All works are complete.

2018 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2018 Annual Works Plan	\$5,540,061	78%	
W1-05-18 Pentecost - Improvement to South Pentecost Road	\$2,109,561	26%	0%
W1-06-18 Epi - West Epi Road Improvements - FRC	\$746,210	100%	100%
W1-07-18 Tongoa - Road Improvements	\$604,347	79%	60%
W1-08-18 Tanna - Lowiaru-Imafen Road Improvement - 1000m FRC	\$811,925	94%	100%
W1-10-18 Pentecost - Ranwadi Point Coastal Road - Retaining Wall (3 x IBC)	\$122,085	100%	100%
W1-11-18 Pentecost - Ranputor Road Improvements (2 x IBC)	\$81,813	100%	100%
W1-12-18 Pentecost - Vanwoki Hill - FRC (3 x IBC)	\$134,308	100%	100%
W1-13-18 Efate - Mangaliliu Road Improvements - FRC	\$550,520	100%	100%
W1-14-18 Ambrym Road Improvements (4 x IBC)	\$190,363	96%	100%
W1-15-18 Paama Road Improvements (4 x IBC)	\$188,929	98%	100%

- After delays in design, Improvement to South Pentecost Road has been awarded during the period.
- West Epi Road Improvement is complete.
- Tongoa Road improvements is under contract with significant work undertaken during the period.
- Lowiaru-Imafen Road is complete.
- Ranwadi Point Coastal Road is complete.
- Mangaliliu Road Improvement is complete.
- Ambrym and Paama are complete.

2019 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2019 Annual Works Plan	\$5,230,629	40%	
W1-16-19 Malekula - Road Improvements	\$2,326,802	18%	0%
W1-17-19 Pentecost - North and Central Pentecost Road Improvements	\$1,000,000	30%	0%
W1-18-19 Erromango Dillons Bay Road Improvements (10 x IBC)	\$439,862	25%	0%
W1-20-19 Tanna - Iatakuey Hill Road Improvements	\$993,029	100%	100%
W1-21-19 Tanna - Imake Hill Road Improvements	\$470,936	78%	100%

- Malekula - Road Improvements was fully designed and was tendered during the period.
- North and Central Pentecost Road Improvements was tendered during the period.

- North and Central Pentecost Road Improvements. After lengthy discussions with the World Bank, it was evident that the packaging of 10 IBCs would not be approved. Consequently, it was decided to repackage the works for issuance to the market under Shopping.
- Iatakuey Hill Road Improvements was completed during the period.
- Imake Hill Road Improvements was completed during the period.

2020 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2020 Annual Works Plan	\$9,000,000	0%	0%
W1-22-20 Improvements to Key Crossings - Bridges and Culverts	\$9,000,000	0%	0%

- Design for the bridges and culverts has been awarded to Cardno and is currently underway. A Request for Expressions of Interest for prequalification was issued for the selection of suitable contractors and a small number of contractors replied. Unfortunately, as a result of problems with undertaking geotechnical investigations, evident hydrological problems, unresolved land issues and other constraints involving the bridges only, it was decided to cease the prequalification process.

Goods

Task Name	Cost	% Complete	% Work Complete
G1-01-18 Purchase of 4 Vehicles	\$120,038	100%	100%
G1-02-19 Purchase of Macrobire	\$74,940	100%	100%

- Procurement of the vehicles is complete.
- Macrobire was purchased and stocks replenished at the respective divisional depots.

Unallocated Activities

Task Name	Cost	% Complete	% Work Complete
Part 1: Road Reconstruction and Improvement UNALLOCATED	\$748,000	49%	0%
W1-19-19 Epi - Epi Drainage Improvements	\$748,000	49%	0%

- As a result of budget constraints, the above-mentioned activities are not currently funded under VIRIP. However, at the completion of the tendering processes for the Part 1 allocated activities, available funds will be realised, and a decision made on the funding this activity or not.

4.2 Part 2: School Reconstruction and Improvement

Progress Overall

Part 2 is 61% complete (compared to 51% in 2019 Annual Report). Provision of services were generally on track leading up to the end of 2019, however the COVID-19 pandemic significantly delayed many items of procurement during the period.

The 2018 Annual Works Plan (AWP) is still slightly slower than expected, as a result of delays in procurement and provision of designs and documentation. The 2019 AWP is well underway with a large number of activities either under or prepared for tender. The remainder of the activities for Part 2: Schools will generally consist of the most difficult activities in isolated locations, high schools and those schools with unique design requirements. All activities are now planned, with an approved methodology for prioritization and implementation. As a result of the introduction of resources, systems and new tenderers, it was believed that this program can be achieved. However, delays are expected because of the difficulty of undertaking pre-tender site visits and compiling tender prices with the scarcity of building materials as a result of the pandemic.

Services

Task Name	Cost	% Complete	% Work Complete
Services	\$887,756	86%	0%
S2-01-17 Survey and Documentation of School Buildings	\$338,000	100%	100%
S2-02-17 Asbestos Specialist	\$70,300	64%	64%
S2-03-17 Land Registration Officer	\$31,247	100%	100%
S2-04-17 Safeguards Officer	\$65,733	90%	90%
S2-05-18 Supervision of School Works	\$382,476	95%	0%

The value of all Services currently represent 6.8% of the value of the entire Part, which compares well to the Project Appraisal Document (Page 37), which had assumed a design and supervision to be 8.3% of construction costs. At this stage, it is expected that the services for design and supervision will be varied to response the impacts of the pandemic. The outputs and outcomes of the services during the period are:

- The survey and documentation of school buildings has been contracted and continuing to implement a Strategy for the completion of survey, documentation and limited design for the existing and remaining packages. The services have been affected by the impacts of the COVID-19 pandemic. This may require variations of existing contracts and modification of the existing design for future tenders, as a result of non-availability of some building materials. It is important to note that the Structural Engineer and Senior Architects demobilised to Australia during the period because of the pandemic.
- During the period, the Asbestos Specialist did not perform any further services. As a result of the pandemic, this may affect the removal of asbestos from remaining buildings under the program.
- Supervision of the School Works is well underway and varied to also supervise the Public Buildings. These services have required continued oversight, as the Consultant still continues to struggle with adoption of standard systems (notably the CAM and QCM).
- Land Registration Officer completed his services during the period.

2018 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2018 Annual Works Plan	\$3,939,483	68%	0%
W2-01-18 Package 1: Efate - Eton and Ekipe	\$634,632	100%	100%
W2-02-18 Package 2: Ngunu, Pele and Emau	\$375,058	83%	80%
W2-03-18 Package 3: Efate - Etas, Maumau	\$394,349	100%	100%
W2-04-18 Package 4: Epi - Bonkovio, Lamenu, Akama, Mafilau	\$577,398	100%	100%
W2-05-18 Package 5: Efate - Nuakwanapu, Greenhill and Nakuskasaru	\$715,046	75%	75%
W2-06-18 Package 6: Shepherds - Senecol, Coconak, Worarana, Makira and Mataso	\$1,000,000	30%	0%
W2-07-18 Package 7: Paama - Vutekai, Lire, Lehili and Luvil	\$243,000	25%	0%

- Procurement on the first five packages of works are complete. Package 1 was contracted and has served as the test case. Package 2, 3, 4 and 5 were contracted and now underway.
- Package 6 planning and design was undertaken during the period.
- Package 7 was inspected during the latter part of 2019 and was to be tendered in early 2020. However, the pandemic ceased procurement during the period because of restricted interisland travel.

2019 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2019 Annual Works Plan	\$8,163,052	17%	0%
W2-08-19 Package 8: Tongoa - Malawia, Ere, Nottage, Itakuma and Naworaone	\$603,165	83%	10%
W2-09-19 Package 9: Efate - Kawenu	\$434,601	52%	5%
W2-10-19 Package 10: Malekula - Lonvat Junior High School	\$2,800,000	13%	0%
W2-11-19 Package 11: Aneityum - Teruja High School	\$2,514,286	16%	0%
W2-12-19 Package 12: Tongoa - Nabangasale High School	\$228,000	26%	0%
W2-14-19 Package 14: Ambrym - North Tobol, Linbul, Ranon and Fania	\$522,000	20%	0%
W2-15-19 Package 15: Ambrym North - Magham, Olal, Megamone and Fonteng	\$347,000	32%	0%
W2-19-19 Package 19: Futuna - Ishia	\$714,000	46%	0%

- Package 8 and 9 were issued for tender, contracted and now underway.
- Package 10 was issued for tender during the period.
- Package 11 is now contracted, however mobilisation has been delayed because of the pandemic.
- Package 12 has not been designed during the period, as anticipated, because of the pandemic.
- Packages 14 and 15 have been designed, but the tendering process has been delayed because of the pandemic.
- Package 19 was issued for tender during the period and under evaluation.

Unallocated Activities

Task Name	Cost	% Complete	% Work Complete
Part 2: School Reconstruction and Improvement UNALLOCATED	\$4,986,246	4%	0%
W2-13-XX Package 13: Ambrym - South East Endu-Leleut, Roromai, Paamal and Senai	\$623,000	20%	0%
W2-16-XX Package 16: Pentecost - Central Vanmanla, Lalzadette, Torlie, Tanbok and Ubiku	\$899,123	26%	0%
W2-17-XX Package 17: Pentecost - South West Ben Motri, Londar (Baie-Martelli)	\$649,123	0%	0%
W2-18-XX Package 18: Efate - Malapoa High School	\$1,700,000	0%	0%
W2-20-XX Package 20: Staff Houses - Susan Mate, Manganua, Lokopue, Moriu, Votlo, Nulnesa, Lopeni, Sikembo, Nalema	\$629,000	0%	0%
W2-21-XX Package 21: Pentecost - Baie-Barrier, Ranwas (Manu) St Henri (Lonfis)	\$486,000	0%	0%

As a result of budget constraints, the above-mentioned activities is currently not funded under VIRIP. However, at the completion of the tendering processes for the Part 2 allocated activities, available funds will be realised, and a decision made on the funding this activity or not.

4.3 Part 3 - Public Building Reconstruction and Improvement

Progress Overall

Part 3 has rapidly progressed during the period to 61% (compared to 44% in 2019 Annual Report) after a slow start. DSPPAC 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	% Work Complete
Services	\$742,220	91%	0%
S3-01-18 Survey and Documentation of Public Buildings	\$359,744	90%	90%
S3-02-18 Supervision of Public Building Works	\$382,476	95%	60%

The value of all Services currently represent 11.1% of the value of the entire Part, compared to the Project Appraisal Document (Page 37), which had assumed a design and supervision to be 8.3% of construction costs. The higher than expected cost of services is as a result of the high level of designs required for each activity and the reiteration of designs as a result of consultations. At this stage, it is anticipated that the services will be varied as a result of the pandemic. The outputs and outcomes of the services during the period are:

- Kramer Ausenco has completed inspections and designs of compiled public buildings throughout the project area.
- 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	% Work Complete
2018 Annual Works Plan	\$816,467	100%	100%
W3-01-18 Package 1: Catering Building	\$45,071	100%	100%
W3-02-18 Package 2: Remediation of Public Building in Port Vila	\$771,396	100%	100%

- Package 1 Catering Building is complete.
- Package 2, which consisted of 12 public buildings in Port Vila, it complete.

2019 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2019 Annual Works Plan	\$3,593,539	33%	0%
W3-03-18 Package 3: METEO and PWD Buildings	\$467,280	100%	100%
W3-04-19 Package 4: Erromango - Health Buildings	\$886,259	82%	5%
W3-05-19 Package 5: Pentecost - Health Buildings - Loltong and Aute	\$620,000	33%	0%
W3-06-19 Package 6: Pentecost - Health Buildings - Aligu and Bwatnapni	\$620,000	33%	0%
W3-07-19 Package 7: Pentecost and Maewo - Health Buildings	\$800,000	37%	0%
W3-08-19 Package 8: Pentecost - Penama Headquarters	\$200,000	42%	0%

- Package 3 is complete.
- Package 4 was contracted during the period however mobilisation has been delayed because of the pandemic.
- Package 5 tender has been delayed because land lease had not been confirmed.
- Package 6 was tender during the period.
- Package 7 was to be tendered during the period, however it became evident that the Health Centre in Maewo was to be funded separately by the Australian Government.
- Package 8 was contracted during the period.

2020 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2020 Annual Works Plan	\$450,000	0%	0%
W3-09-20 Package 9: Malekula - Norsup Hospital Maternity Ward	\$150,000	0%	0%

W3-10-20 Package 10: Efate - PWD Shefa Headquarters	\$300,000	0%	0%
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- Package 9 was inspected and designed during the period, however tendering was delayed by a lack of response from the Ministry of Health in regard to the scope of works. Design Consultant continues to follow-up with the Ministry.
- Package 10 it is still under design and has been delayed because of the impacts of the pandemic.

Unallocated Activities

Task Name	Cost	% Complete	% Work Complete
Part 3: Public Building Reconstruction and Improvement UNALLOCATED	\$800,000	0%	0%
W3-11-XX Package 11: Malekula - Norsup Airport Terminal	\$200,000	28%	0%
W3-12-XX Package 12: Efate - VCH Paediatrics and Surgical	\$300,000	28%	0%
W3-13-XX Package 13: Tanna - Tafea Cultural Centre	\$300,000	0%	0%

As a result of budget constraints, the above-mentioned activities is currently not funded under VIRIP. However, at the completion of the tendering processes for the Part 3 allocated activities, available funds will be realised, and a decision made on the funding this activity or not.

It is important to note that the three unallocated activities have constraints, which are yet to be resolved. Norsup Airport Terminal has land dispute issues. VCH Paediatrics and Surgical does not meet the selection criteria and the Tafea Cultural Centre was originally built as a temporary structure and may similarly not meet the selection criteria. As a consequence, if these activities are not chosen, there will be unbudgeted funds in Part 3.

4.4 Part 4 – Project Implementation and Technical Support

Task Name	Cost	% Complete	% Work Complete
Part 4: Project Implementation and Technical Support	\$3,718,224	66%	66%
Services	\$3,718,224	66%	66%
S4-01-16 Project Manager/Coordinator	\$1,122,200	68%	68%
S4-02-17 Safeguard Specialist	\$804,476	61%	61%
S4-03-17 Procurement Specialist	\$17,589	100%	100%
S4-04-17 Project Accountant	\$132,157	97%	90%
S4-05-17 Monitoring and Evaluation Specialist	\$197,900	57%	57%
S4-06-17 Procurement Specialist	\$420,491	100%	100%
S4-07-18 Contracts Manager	\$417,040	75%	75%
S4-08-18 Procurement Officer	\$54,000	69%	69%
S4-09-18 Junior Accountant	\$41,871	53%	53%
S4-10-18 DRF International Consultant	\$197,200	100%	100%
S4-11-19 NDRF Team Coordinator	\$89,000	34%	20%
S4-12-19 NDRF Recovery Specialist	\$84,300	34%	20%
S4-13-19 DRF International Consultant	\$140,000	26%	10%

Part 4 is 66% complete (compared to 58% in the 2019 Annual Report). It is noteworthy that the Part is currently under budget. However, extensions of time are required for some PST staff and the introduction of the National Disaster Recovery Framework will place strain on the available budget for Part 4. As a result of the MTR, the services of NDRF Team Coordinator and NDRF Recovery Specialist have been added and DRF International Consultant included in the procurement plan to continue the role of these services.

According to Project Appraisal Document (Page 37), it had been assumed the PST staff consists of a Project Manager, Procurement Specialist, Project Accountant and Safeguards Specialist and estimated

to cost 6.5% of the overall project amount. At present these positions cost 5%. However, more positions were added to the PST staff including staff required to backfill gaps in the implementing agencies capabilities. Additionally, three positions were added to the PST to assist with the development of the National Disaster Recovery Framework.

It is expected that as a result of the pandemic that there will be further variations and possible additions to this Part of the project.

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
65%	62%	31%	56%	32%

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 this report. Practical completion has been reconciled against contract implementation records, including variations and extensions of time.

Total disbursements and financial commitments are still lagging, mainly as a result of a considerable amount of procurement occurred during 2019 which will continued into early 2020. As a result of the pandemic is expected that this lag will continue.

If the CERC Components (Part 5) is activated it is expected that there will be considerable impact upon the program and cash flow.

Refer to Appendix 1 for **Works Programme**.

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 not be completed by the Project Closing Date because of unknown delays in contractor mobilisation and material supply as a result of the pandemic. The breakdown of the practical completion for each Part is shown in the table below:

Task Name	Cost	% Complete
Vanuatu Infrastructure Reconstruction and Improvement Project	\$47,169,110	65%
Part 1: Road Reconstruction and Improvement ALLOCATED	\$19,072,123	72%
Part 2: School Reconstruction and Improvement ALLOCATED	\$12,990,291	61%
Part 2: School Reconstruction and Improvement UNALLOCATED	\$4,986,246	12%
Part 3: Public Building Reconstruction and Improvement ALLOCATED	\$5,602,226	68%
Part 3: Public Building Reconstruction and Improvement UNALLOCATED	\$800,000	19%
Part 4: Project Implementation and Technical Support	\$3,718,224	66%

All Parts were generally proceeding well, with practical completions in line with the original time projections. However, as mentioned in previous sections, the COVID-19 pandemic will affect the progress of all Parts under the project.

As described in Section 4.9 below, the overall budget position of VIRIP has been reviewed. Based on the current SDR:USD foreign exchange rate, VIRIP has USD47.95 million, representing a loss of USD2.05 million since the design of the project. At the same time, the Engineer Estimates have been updated and the physical contingencies (variations) more fully understood. As such, a number of activities have been removed as 'unallocated'. Some of these activities may be reintroduced or other added to unallocated depending upon the future tendered prices.

It is important to note that during the period the World Bank released the Draft Aide Memoire for the Mid Term Review which indicated, amongst other things, that the project should be applying Value Added Tax (VAT) on any further contracts. The budget has been adjusted accordingly, which is reflected in the updated program.

Resources

At this stage, it is believed there are adequate resources across all types to complete the project on budget. However, PWD was to allocate a young Engineer to perform the critical role of Compliance Engineer. This person was originally expected to start in October 2019 and was expected to start during the period. However, this person has most recently been reallocated to duties related to the pandemic.

During the Mid-Term Review additional resources were 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 MTR approved the Working Paper and Work Plan, with some revisions. The paper was finalized in August 2019 and submitted to Government. The MTR likewise approved in principle the continuation of VIRIP budget support for the NDRF preparation and roll-out. Immediate approval was given to the financing of two national consultancy positions for the NDRF team: those of National Team Leader and of National Disaster Recovery Specialist. Terms of reference for these were subsequently finalized and advertised. The two successful candidates were selected, contracted and started work during the period.

As a result of the pandemic, the Departments of Strategic Policy and Planning and Aid Coordination (DSPPAC) is reviewing the role of these two Consultants and how the development of the NDRF will be effected.

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)*

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.

A key focus in the quarter has been to review and update manuals and strategies in line with a possible request to enact the CERC component of VIRIP. The review is necessary so as to ensure all systems are aligned and prepared for any specific request for resources (both financial and technical) to support the CERC.

4.8 Additional Financing

During the Mid Term Review the proposal for additional financing was discussed. It was agreed that the Government will further consider whether or not to request for additional financing under VIRIP.

During the period the Project Implementation Committee (PIC) reviewed such a request and referred the matter to the National Recovery Committee (NRC). The PIC and NRC endorsed the development of an Additional Financing request and the World Bank will be requested to explore the opportunity.

4.9 Financial Management and Performance

There were mixed outcomes from a finance perspective during the quarter. A key issue has been the rapid increase in the number of contracts issued and government approval of zero-rated value added tax. The PIC followed due processes with relevant authorities to obtain approval of zero-rated VAT certificate. However, this is a sticky point of discussion between the PIC and the World Bank. It was resolved that for any new projects approved in 2020 and beyond this has to be in accordance with the “covenant” of the financing agreement. Finance systems are being updated in accordance with the decision.

Expenditure to Date

To date, total revenue received from the World Bank stood at Vt.2,042.3 million and the expenditure to date reached Vt. 1,728.7 million. In the 2019 fiscal year, total expenditure reached Vt. 1,063.1 million and in the current report quarter, expenditure was Vt. 183.4 million. To date, the revenue Grant and Credit received from the World Bank was Vt.2,042.3 million of which the current quarter received Vt.275.1 million of which Vt.64.8 million under grant and Vt.210.3 million under credit.

The outstanding commitments stand at Vt.458.3 million. This comprised signed contracts for all project parts, excluding incremental operating costs.

Budget and Contingencies

As of the end of March 2020, VIRIP’s project value stood at USD 47,945,166 while at the beginning of the year was USD 48,735,533 was provided. This highlights that the USD has appreciated since the final quarter 2019. The Project Value has been reduced by a factor of USD 790,367. Please refer to Table 1 for more information.

In 2020, the contracts budget included an unallocated portion forecasted to be Vt.2,189.4 million. This includes Vt.1,626.9 million for roads, Vt.252.3 million for schools, Vt.102.5 million for Public Buildings and Vt.207.8 million for Project Implementation and Technical Support. The forecasts are estimates and may change depending on MIPU’s implementation plan following the Covid-19 and TC Harold.

Contingencies for the quarter consist of physical contingencies, (5%) and price contingencies (4%). The contingencies will reduce over time. Please refer to Table 2 for more information.

Disbursement

During the quarter there were three withdrawals (one under grant and two under credit). To date, total value of disbursement by the World Bank stood at Vt. 2,042.3 million which is equivalent to about USD 17,732,625.37. The remaining balance that yet to be disbursed is about Vt. 2,957.7 million which is equivalent to USD 30,212,540.63. The current cash flow is positive and the balance ranges between Vt.60 million and Vt.90 million.

Expenditures (Quarterly)

For the quarter, total expenditure reached Vt. 183.4 million. It is forecasted that expenditure for the Semester 1, 2020 period will be below the corresponding amount for Semester 1, 2019. This is attributed to the Covid-19 pandemic and the subsequent State of Emergency (SoE). The incremental operating cost (IOCs) in the quarter stood at Vt.1.3 million.

Expenditure to Date

To date the total expenditure reached Vt. 1,728.7 million. The 2019 financial statement is being prepared and will be provided to the World Bank for review . Diagram 1 below provides a summary of the data.

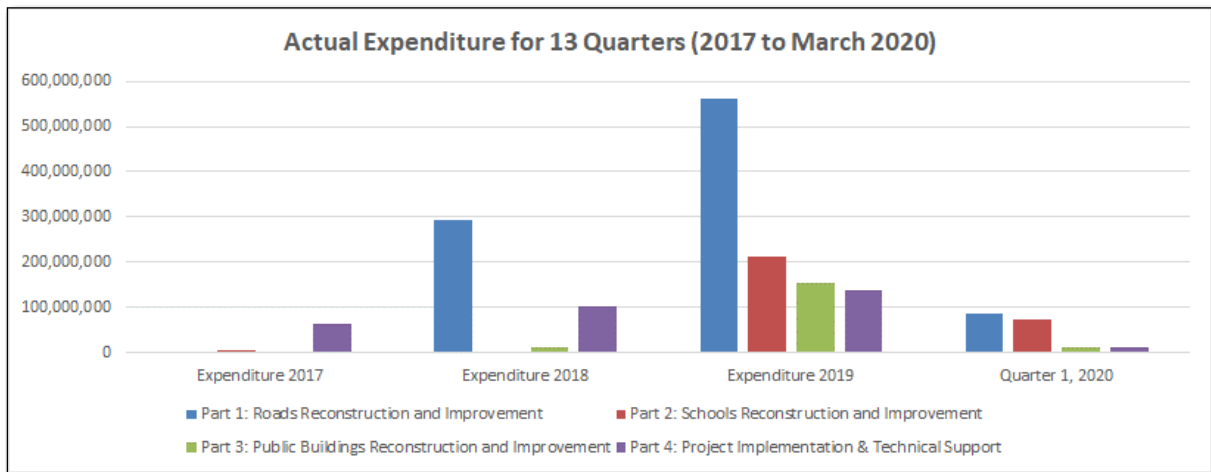


Diagram 1: Actual Expenditure from January 2017-March 2020

Commitments

The outstanding commitments to date stands at Vt.458.3 million. This includes contract variations but 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.

Vehicles

During the reporting period, VIRIP is only using one hire car from World Car Rentals.

Expenditure against budget to date (by component)

The total value of the contracts signed to date stands at Vt.3,036.1 million including works and service contracts. The Outstanding Commitments to date stands at Vt.1,343.7 million. This includes TA and Works Contract outlined in Diagram 2 below.

Physical Works	FINANCING	COA	Description	Goods/Services/Works/Consultants/ Supervision/Design	Budget	Actual Expenditure
					2,539,618,538	1,515,867,138
Part 1: Road Reconstruction and Improvement					1,294,464,838	848,117,913
Physical Works					1,121,363,602	761,976,850
W1-01-17 Tanna - King Cross Road Improvement - IRC	CREDIT	BCRR	Road Repairs and Maintenance	Works	101,354,561	100,638,581
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	CREDIT	BCRR	Road Repairs and Maintenance	Works	217,066,192	216,944,780
W1-03-17 Malekula - Improvement to Beten Stream (Nerambi) Crossing (IRC)	CREDIT	BCRR	Road Repairs and Maintenance	Works	18,128,038	12,211,545
W1-04-17 Malekula - Improvement to Umasa Stream (Blacksand) Crossing (IRC)	CREDIT	BCRR	Road Repairs and Maintenance	Works	11,881,291	9,010,141
W1-05-18 Pentecost - Improvement to South Pentecost Road	CREDIT	BCRR	Road Repairs and Maintenance	Works	227,298,900	-
W1-06-18 Epi - West Epi Road Improvements - 850m IRC	CREDIT	BCRR	Road Repairs and Maintenance	Works	83,978,470	77,379,395
W1-07-18 Tongoa - Road Improvements - 1000m IRC	CREDIT	BCRR	Road Repairs and Maintenance	Works	66,011,172	21,164,676
W1-08-18 Tanna - Lowara-Irafen Road Improvement - 1000m IRC	CREDIT	BCRR	Road Repairs and Maintenance	Works	91,374,000	89,089,650
W1-10-18 Pentecost - Harwood Point Coastal Road - Retaining Wall (3 x IRC)	CREDIT	BCRR	Road Repairs and Maintenance	Works	16,689,578	15,748,740
W1-11-18 Pentecost - Bantuto Road Improvement (2 x IRC)	CREDIT	BCRR	Road Repairs and Maintenance	Works	8,590,318	13,044,278
W1-12-18 Pentecost - Vanwoki Hill - 300m IRC	CREDIT	BCRR	Road Repairs and Maintenance	Works	14,118,282	14,118,282
W1-13-18 Efaté Mangalifa Road Improvement	CREDIT	BCRR	Road Repairs and Maintenance	Works	61,955,500	60,406,612
W1-14-18 Ansemyr Roads Improvement - Sevin Rd	CREDIT	BCRR	Road Repairs and Maintenance	Works	19,988,121	11,384,140
W1-15-18 Paama Road Improvements	CREDIT	BCRR	Road Repairs and Maintenance	Works	19,127,799	17,880,743
W1-20-19 Tanna - Lelakury Hill Rd Improvements	CREDIT	BCRR	Road Repairs and Maintenance	Works	111,755,450	56,900,443
W1-20-19 Tanna - Imaki Hill Rd Improvements	CREDIT	BCRR	Road Repairs and Maintenance	Works	37,434,200	11,358,740
G1-01-18 Purchase of 3 Vehicles	CREDIT	BCRR	Road Repairs and Maintenance	Works	12,604,000	12,604,000
3.2) Design and Supervision	FINANCING				179,100,946	106,143,069
S1-01-17 Design and Documentation of Roads	Grant	BCRR	Road Repairs and Maintenance	Design	11,087,500	25,030,753
S1-02-17 Develop QDM - John McFarlane	Grant	BCRR	Road Repairs and Maintenance	Design	10,717,434	7,488,381
S1-04-17 Supervisor for Tanna Works	Grant	BCRR	Road Repairs and Maintenance	Supervision	7,575,460	7,575,460
S1-05-18 Supervision of 2018-2019 Works	Grant	BCRR	Road Repairs and Maintenance	Supervision	68,901,000	52,415,367
S1-06-18 Design and Documentation of Bridges	Grant	BCRR	Road Repairs and Maintenance	Design	55,219,552	11,633,072
Part 2: Schools Reconstruction and Improvement					637,016,544	217,677,263
Physical Works					543,802,094	178,797,278
W2-01-18 Package 1: Efaté - Eton and Ekipe (Island Construction)	CREDIT	BCRB	Building Repairs and Maintenance	Works	71,421,521	59,052,866
W2-02-18 Package 2: Ngusa, Pele and Enou (MA Builders)	CREDIT	BCRB	Building Repairs and Maintenance	Works	33,360,000	14,784,143
W2-03-18 Package 3: Efaté - Etas and Maunau (ATOM LTD)	CREDIT	BCRB	Building Repairs and Maintenance	Works	44,380,000	32,810,500
W2-04-18 Package 4: Epi - Borkovilo, Lanenu, Akama, Marifau (Kilou's Home)	CREDIT	BCRB	Building Repairs and Maintenance	Works	64,980,336	38,988,096
W2-05-18 Package 5: Tongoa - Malawa, Ere, Nottage, Itakama and Naworoso (MA Builders)	GRANT	BCRB	Building Repairs and Maintenance	Works	55,660,237	33,161,871
W2-11-18 Package 11: Anshyan - Tenja High School	GRANT	BCRB	Building Repairs and Maintenance	Works	274,000,000	0
2.1) Design & Supervision					93,214,450	38,879,985
S2-02-17 Asbestos Specialist	GRANT	BCEC	Consultant Fees	Consultants	7,381,500	5,599,256
S2-03-17 Land Registration Officer	GRANT	BCEC	Consultant Fees	Consultants	3,280,550	2,884,354
S2-04-17 Safeguard Officer	GRANT	BCEC	Consultant Fees	Consultants	6,902,000	5,181,315
S2-05-17 Survey and Documentation of School Buildings (Kramer Ausenco)	CREDIT	BCEC	Consultant Fees	Consultants	35,490,000	13,110,070
S2-05-18 Supervision of 2018-2019 Works (Mainguy Consulting)	CREDIT	BCEC	Consultant Fees	Consultants	40,160,000	12,144,780
Part 3: Public Building Reconstruction and Improvement					205,965,195	166,892,586
Physical Works					128,100,170	120,198,545
W3-01-18 Package 1: Public Buildings - Caring Building	CREDIT	BCRM	Maintenance Contract	Works	4,732,413	4,614,103
W3-02-18 Package 2: Public Buildings in Port Vila - MA Builders	CREDIT	BCRM	Maintenance Contract	Works	80,676,530	81,365,516
W3-03-18 Package 3: Public Buildings - Metro and MPU Building	CREDIT	BCRM	Maintenance Contract	Works	42,691,227	34,218,826
3.2) Design & Supervision					77,865,125	46,694,045
S3-01-18 Survey and Documentation of Public Buildings (Kramer Ausenco)	CREDIT	BCRM	Maintenance Contract	Supervision	37,733,125	42,385,905
S3-02-18 Supervision of Public Building Works (Mainguy Consulting)	CREDIT	BCRM	Maintenance Contract	Supervision	40,160,000	4,308,140
Part 4: Project Implementation and Technical Support					402,143,911	283,179,372
4.1.1) Project Staff					365,904,411	257,511,869
S4-01-16 Project Manager/Coordinator	GRANT	BCEC	Consultant Fees	Consultants	117,831,000	76,315,027
S4-02-17 Safeguard Specialist	GRANT	BCEC	Consultant Fees	Consultants	64,267,350	66,299,437
S4-03-17 Procurement Specialist - Enile Leau	GRANT	BCEC	Consultant Fees	Consultants	25,457,107	25,457,107
S4-04-17 Project Accountant	GRANT	BCEC	Consultant Fees	Consultants	13,876,460	12,452,626
S4-05-17 Monitoring and Evaluation Specialist	GRANT	BCEC	Consultant Fees	Consultants	20,779,500	12,404,745
S4-06-17 Procurement Specialist - Ian Gornille	GRANT	BCEC	Consultant Fees	Consultants	34,576,900	25,721,800
S4-07-18 Contracts Manager	GRANT	BCEC	Consultant Fees	Consultants	43,789,200	11,501,983
S4-08-18 Procurement Officer	GRANT	BCEC	Consultant Fees	Consultants	4,934,456	3,894,977
S4-09-18 Junior Accountant	GRANT	BCEC	Consultant Fees	Consultants	4,396,433	1,635,837
Jennifer Davill	GRANT	BCEC	Consultant Fees	Consultants	5,763,450	1,565,808
Civil Engineer					262,515	262,515
Technical Support and Capacity Building					46,239,500	25,667,509
NDRF - Peter Nigel Fisher	GRANT	BCEC	Consultant Fees	Consultants	20,706,000	22,528,882
Mark Bebe	GRANT	BCEC	Consultant Fees	Consultants	9,888,000	365,000
Malcom Dalea	GRANT	BCEC	Consultant Fees	Consultants	9,359,000	-
John McFarlane - South Santo Road	GRANT	BCEC	Consultant Fees	Consultants	6,289,500	2,793,627

Diagram 2: Summary of Outstanding Works and TA contracts (Quarter 1, 2020)

Table 1: Total Budget Distribution for the different components of the Project

PARTS	Description	Total Budget 5 Yrs. (USD)	Total VIRIP Budget	Actual Budget 2017 (VUV)	Actual Budget 2018 (VUV)	Actual Budget 2019 (VUV)	Budget 2020 (VUV)	Budget 2021 (VUV)
1	Roads Reconstruction and Improvement	24,931,486	2,805,789,435	874,957	292,748,317	558,270,537	1,626,854,310	403,071,028
2	Schools Reconstruction and Improvement	12,465,743	1,402,894,726	4,482,513	3,541,326	210,892,610	252,318,436	755,743,894
3	Public Building	6,232,872	701,447,456	0	13,157,750	151,830,000	102,454,755	464,067,494
4	Project Implementation and Technical Support	4,315,065	485,617,422	65,159,379	103,737,818	140,586,227	207,767,662	1,260,000
	Totals	47,945,166	5,395,749,038	70,516,849	413,185,211	1,061,579,374	2,189,395,164	1,624,142,416

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.112.54 = USD1) and is subject to change. The above budget is inclusive of 5% contingencies and taxes.

Table 2: The table below shows the detail breakdown of the Budget by Parts and Contingencies in USD.

Category 1	Budget	Contract Value	IOC	Unallocated	Contingencies
Part 1 (Roads)	USD 24,931,486	USD 13,337,673	USD 63,573	USD 10,941,611	USD 588,629
Part 2 (Schools)	USD 12,465,743	USD 6,706,820	USD 35,479	USD 5,546,485	USD 176,958
Part 4 (Project Implementation & Technical Support	USD 4,315,065	USD 3,846,820	USD 292,932	-	USD 175,313
Category 2					
Part 3 (Public Building)	USD 6,232,872	USD 2,992,406	USD 12,877	USD 3,118,259	USD 109,330
Total Project Value	USD 47,945,166	USD 26,883,719	USD 404,861	USD 19,606,355	USD 1,050,230

4.10 Safeguards

Five activities screening forms were finalised over this quarter with two updated with further details in response to World Bank queries. In addition, a total of four Environmental and Social Management Plans were completed for inclusion within tender documents. This work required several revisions of these ESMPs due to scope and design changes done and remains in draft pending design decisions (Bridges Package).

As the final MTR Aide Memoire was agreed towards the end of the quarter increased codification and standardising of safeguards requirements in ESMPs, and corresponding reduction of CESMPs to those variable elements dependent on-site conditions, community agreements and other site-specific elements, including the Contractor's approach. .

Three Contractor ESMPs (CESMPs) were reviewed, completed and approved by the SS over this quarter. The improving quality of these documents confirmed that Contractors are becoming used to preparing these documents and it was pleasing to note that some have included more details and in two instances, developed their own company codes of conduct for safeguards.

Three non-conformance notices that included safeguards elements were raised in this quarter for two contracts. These were of relatively minor breaches of safeguards requirements (waste management, site clearing and use of PPE) and were swiftly remedied.

However, in response to these (both were noticed by PST officers) it was clear that CSRs required additional capacity building so in terms of capacity building, the SS attended two pre-tender meetings and emphasised to the CSR the importance of specifically inspecting and assessing safeguards requirements. As part of this and to follow up, the SS, with assistance of the SO developed more detailed standards for CSRS to use.

The Vanuatu response to COVID 19 was to declare a State of Emergency (SoE) on 26 March 2020. Apart from closing the country's borders, this SoE included a ban on domestic travel and the suspension of pending contracts under VIRIP. Therefore, the current running contracts will be inspected as normal and attention will then move to the preparation of tender packages (APs ESMPs) over the next quarter.

In response to the SOE and request from the PMC, the SS has also commenced reviewing safeguards requirements including additional measures for different small-scale modalities, increased hygiene requirements (WASH) and the potential of developing social distance requirements for contracts. The focus of SS over the next quarter will remain on safeguards around SoE works on a strategic level but to try to harmonise any SoE measures with other adaptive management measures around safeguards, such as streamlined ESMP and CESMP templates.

4.11 Procurement

Procurement Strategy

VIRIP has completed its procurement strategy throughout the period on how procurement will be conducted for the life of VIRIP. This has occurred through understanding the level of demand and likely cost and the construction industry capability.

Current Procurement

The Project Manager/Coordinator has assumed the responsibilities of the Procurement Specialist. During the period procurement was expected to intensify and be completed by around early May 2020. However, the current list of upcoming activities for procurement have been impacted by COVID-19:

- W1-16-19 Malekula - Road Improvements. This item of procurement was actioned during the period, however signing the contract was interrupted by COVID-19 impacts.
- W1-17-19 Pentecost - North and Central Pentecost Road Improvements. This item of procurement was actioned during the period, however evaluation was interrupted by COVID-19 impacts.
- W1-18-19 Erromango Dillons Bay Road Improvements. After considerable discussion with the World Bank, it became evident that original package of 10 IBC contracts will not be approved. It was then decided to offer this item of procurement to the market under shopping. Completion of the Activity Proposal and design has been interrupted by COVID-19 impacts.
- W1-19-19 Epi - Epi Drainage Improvements. This activity was brought back into the program, after it was established that there was sufficient funds in the project with the removal of the bridges.
- W1-22-20 Improvements to Key Crossings - Bridges and Culverts. This activity was reduced in scope as a result of problems with design of the bridges. At this stage, the scope of work will only include the culverts. Completion of the design has been interrupted by COVID-19 impacts.
- W2-06-18 Package 6: Shepherds - Senecol, Coconak, Worarana, Makira and Mataso. Activity Proposal has been approved during the period, however the completion of design and tendering has been interrupted by COVID-19 impacts.
- W2-12-19 Package 12: Tongoa - Nabangasale High School. The scoping of this Activity has been interrupted by COVID-19 impacts.
- W2-14-19 Package 14: Ambrym - North Tobol, Linbul, Ranon and Fania. The completion of the Technical Pack and Activity Proposal was interrupted by COVID-19 impacts.
- W2-15-19 Package 15: Ambrym North - Magham, Olal, Megamone and Fonteng. Same as above.
- W3-09-20 Package 9: Malekula - Norsup Hospital Maternity Ward. VIRIP is still awaiting the confirmation of the scope of works by the Ministry of Health.
- W3-10-20 Package 10: Efate - PWD Shefa Headquarters. Completion of the design and Activity Proposal was interrupted by COVID-19 impacts.

Fortunately, most of the documents and technical packs are now standardised with the completion of most designs, so the process of procurement will be somewhat routine.

Active marketing has secured the interest of further suitable contractors. This should take the pressure off the market to respond to these opportunities. As a result of travel restrictions, international contractors are not expected to mobilise in the short to medium terms.

Material supply has been interrupted by COVID-19, which is expected to continue for some time. Longer construction periods are anticipated.

5. Risk Management and Key Lessons Learned

Risk and lessons learned will be updated and assessed during the next quarterly report (part of the semi-annual review and update of risk and key lessons). The focus will primarily centre on the impacts of COVID-19 and TC Harold which have impacted work towards the end of the current quarter.

6. Monitoring and Evaluation

M&E support during the quarter centred on providing strategic and technical advice with regards to the development of an Emergency Action Plan (EAP) for possible support if a CERC component was to be activated. Work centred on an initial concept paper to consider options relating to emergency responses,

possible economic stimulus packages and supporting on-going work. EAP work also involved consultations and discussions with other key stakeholders such as VIRIP contractors and advisers within DSSPAC. The M&E adviser was also working remotely for the period.

7. Conclusions

VIRIP commenced the year seeking to build on the progress of previous years. However, with the onset of the COVID-19 pandemic and the GoV's decision to close borders and initiate a SoE has meant that the PST team have had to adjust to a new way of working and supporting implementation. Compounding the situation was the impact of TC Harold which devastated much of the northern islands of Vanuatu.

Within this context, the focus on possible activation of the CERC component has diverted the attention and focus of the PST. It is important to note that on-going VIRIP works are still being prioritised and the PST's Safeguards and M&E Specialists are supporting remotely to prepare relevant documentation pertaining to the CERC.

The influence of COVID-19 and TC Harold is also evident in the engagement with key counterparts. Directors across all ministries and members of the PIC have been heavily involved with responses to both issues. This has slowed to work of the PST in terms of approvals and strategic direction however there is opportunity to continue with the program's broad portfolio of work.

As part of the preparations, VIRIP has been updating its manuals, systems and processes as part of a quality review and also to reaper for the possible activation of the CERC. This represents good practice and positions VIRIP to be able to respond to the needs of the PIC when requires.

Despite the challenges, the on-going 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 72% (65% in 2019 Annual Report) of the roads program is complete. Schools are 61% complete (51% in 2019 Annual Report). In addition, 61% (44% in 2019 Annual Report) of targeted public buildings have been completed.

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. This is most evident as a result of the COVID-19 and TC Harold situation. The institutional component of VIRIP continues to gain momentum and is likely to be a central focus in the remaining years as the works program continues to wind down after several years of successful progress.

In light of the support VIRIP is providing, there is on-going discussions around possible Additional Financing which will seek to guide engagement into the future and build upon the gains realised through the current phase of the program. Consideration of additional financing is an important step for the GoV and demonstrates the progression of VIRIP away from just a sole focus on reconstruction and rehabilitation towards a greater focus on resilience and longer-term development. The foundations for VIRIP have been set and there is considerable scope for further exploration of the steps going forward.

Appendix 1: Works Program

200412 Works Programme - Implementation and Procurement + Baseline																			
ID	Task Name	Duration	Start	Finish	Cost	% Complete	2017 H2	2017 H1	2017 H2	2018 H1	2018 H2	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	
1	Vanuatu Infrastructure Reconstruction and Improvement Project	1765.42 days	Fri 1/07/16	Fri 20/01/23	\$47,169,110	65%													
2	Part 1: Road Reconstruction and Improvement ALLOCATED	1563.1 days	Mon 3/04/17	Fri 20/01/23	\$19,072,123	72%													
3	Services	1287.03 days	Mon 1/05/17	Tue 8/02/22	\$2,098,843	81%													
4	S1-01-17 Design and Documentation of Roads	697 days	Mon 2/10/17	Mon 4/05/20	\$296,071	96%													
14	S1-02-17 Develop QCM	370.71 days	Fri 1/09/17	Thu 17/01/19	\$102,071	100%													
23	S1-03-17 Pavement Specialist	77 days	Mon 1/05/17	Fri 11/08/17	\$2,340	100%													
30	S1-04-17 Supervisor for Tanna Works	378.65 days	Thu 1/06/17	Fri 26/10/18	\$58,305	100%													
39	S1-05-18 Supervision of 2018-2019 Works	703.19 days	Wed 10/01/18	Thu 20/08/20	\$652,390	100%													
49	S1-06-19 Design and Documentation of Bridges	280 days	Fri 1/03/19	Mon 16/03/20	\$490,666	100%													
59	S1-07-19 Supervision of 2020-2022 Works	614 days	Wed 30/10/19	Tue 8/02/22	\$497,000	18%													
69	2017 Annual Works Plan	963.29 days	Mon 3/04/17	Thu 29/10/20	\$2,985,474	92%													
70	W1-01-17 Tanna - King Cross Road Improvement - FRC	619.16 days	Mon 15/05/17	Fri 30/08/19	\$900,645	100%													
85	W1-02-17 Tanna - King Cross Road Improvement - Bitumen	963.29 days	Mon 3/04/17	Thu 29/10/20	\$1,928,792	82%													
103	W1-03-17 Malekula - Improvement to Batven Stream (New)	493.1 days	Mon 30/10/17	Wed 28/08/19	\$75,309	100%													
116	W1-04-17 Malekula - Improvement to Unua 5 Stream (Black)	513.42 days	Mon 30/10/17	Wed 25/09/19	\$80,728	100%													
129	2018 Annual Works Plan	1193.35 days	Mon 30/10/17	Tue 5/04/22	\$5,540,061	83%													
130	W1-05-18 Pentecost - Improvement to South Pentecost Road	1054 days	Mon 7/05/18	Tue 5/04/22	\$2,109,561	33%													
148	W1-06-18 Epi - West Epi Road Improvements - FRC	507 days	Mon 22/01/18	Tue 10/12/19	\$746,210	100%													
162	W1-07-18 Tongoa - Road Improvements	598 days	Mon 5/02/18	Fri 24/04/20	\$604,347	96%													
174	W1-08-18 Tanna - Lowiaru-Imafen Road Improvement - 10	552 days	Mon 15/01/18	Fri 31/01/20	\$811,925	99%													
186	W1-10-18 Pentecost - Ranwadi Point Coastal Road - Retaining	257.97 days	Mon 30/10/17	Fri 12/10/18	\$122,085	100%													
196	W1-11-18 Pentecost - Ranputor Road Improvements (2 x 131	131 days	Wed 30/01/19	Thu 25/07/19	\$81,813	100%													
206	W1-12-18 Pentecost - Vanwoki Hill - FRC (3 x IBC)	258 days	Mon 30/10/17	Fri 12/10/18	\$134,308	100%													
216	W1-13-18 Efate - Mangailitu Road Improvements - FRC	356.71 days	Mon 2/04/18	Mon 29/07/19	\$550,520	100%													

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

