



# QUARTERLY REPORT – JULY-SEPTEMBER 2019

## Vanuatu Infrastructure Reconstruction and Improvement Project

### [Abstract](#)

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

Date: 10 November 2019

**Republic of Vanuatu: Vanuatu Infrastructure Reconstruction and Improvement Project  
Quarterly Report – July - September 2019**

Financed by:

**The World Bank  
The Government of Vanuatu**

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

**Notice**

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## Abbreviations

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



PROJECT KEY PLAN

## Table of Contents

Abbreviations.....	1
Table of Contents.....	1
Basic Data .....	1
Project Purpose .....	1
Executive Summary .....	3
1. Introduction.....	9
2. Operating Context (July-September 2019).....	9
3. Status of Implementation and Key Results .....	14
4. Program Implementation (Narrative Section).....	18
4.1 Part 1. Road Reconstruction and Improvement.....	18
4.2 Part 2: School Reconstruction and Improvement .....	20
4.3 Part 3 - Public Building Reconstruction and Improvement .....	22
4.4 Part 4 – Project Implementation and Technical Support .....	23
4.5 Programme .....	24
4.6 Institutional Stream .....	25
4.7 Project Management.....	25
4.8 Financial Management and Performance .....	26
4.9 Safeguards .....	32
4.10 Procurement.....	33
5. Risk Management and Key Lessons Learned.....	34
6. Monitoring and Evaluation .....	35
7. Conclusions.....	35
Appendix 1: Works Program.....	36

## Basic Data

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

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

<b>Financing Agreements signed:</b>	2 August 2016
<b>Effective Date of Project</b>	6 March 2017 <sup>1</sup>
<b>Project Closing Date</b>	30 April 2022
<b>Dates of World Bank Mission(s)</b>	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.

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

**Part 2. School Reconstruction and Improvement. USD13 million**

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

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

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

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

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

**Part 5. Contingency Emergency Response. USD Nil.**

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

## Executive Summary

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

The Mid Term Review (MTR) occurred during early August with a follow-up Financial Management mission expected in October. During the first part of the MTR the Government and World Bank actively reviewed the progress to date and the future needs of the project. The key recommendations from the Government were reviewed and there was general agreement to those recommendations.

The following recommendations were raised for discussion during the MTR as important changes to the overall strategic intent and/or direction of the project. Some suggested considerations provided by the Government for change included:

- **Relevancy.** 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.
- **Institutional Stream.** 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.
- **Communications.** 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.
- **Procurement.** 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.
- **M+E.** 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.
- **IBCs.** It was agreed to continue to use Island Based Contractors, as long as adequate justification is provided.

The World Bank reviewed the quality of work on site and was generally pleased with the results.

The overall budget position of VIRIP has been reviewed. Based on the current SDR:USD foreign exchange rate, VIRIP has USD48.38 million, representing a loss of USD1.61 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.

The World Bank acknowledged that if the project to continue on its current pace and performance, that it believes the project will be successful in achieving the project development objective, should be completed within the project closing date and within budget.

## ***Operating Context***

The overall operating context for the program continues to improve. PWD remains stretched with conflicting priorities. The PST has continued to brief the Director, PWD (Chairman Project Implementation Committee) on the project and progressively seek guidance on future initiatives. The MOET remains a strong stakeholders and work has progressed through design to contracts with Design Consultant Kramer Ausenco. Work with DSPPAC continues to progress with engagement for both public buildings and the development of the National Disaster Recovery Framework (NDRF).

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

There have been no meetings of the Project Implementation Committee (PIC) during the period, as it awaits the outcomes on the draft Aide Memoire for the Mid Term Review for deliberation.

## ***Status of Implementation and Key Results***

Project is progressing well and generally on track to meet the indicators within the current program. During the Mid Term Review there was general need to review the indicators and how they will be measured. Further details are laid out in Section 4.

## ***Project Implementation***

### *Works Programme*

The current physical and financial completion is shown below:

<b>Practical Completion</b>	<b>Time Completion</b>	<b>Disbursements</b>	<b>Financial Commitment</b>	<b>Financial Expenditure</b>
54%	53%	24%	37%	21%

Practical completion is analysed by MS Project, across all project Parts and is the percentage of tasks and activities practically complete by the date of the report. Practical completion has been reconciled against contract implementation records, including variations and extensions of time.

The **Percentage Work** completed is shown in the Works Program in Appendix 1 and Section 4.

Total disbursements and financial commitments are still lagging, however there is a considerable amount of procurement occurring during the remainder of 2019 and early 2020, which will rapidly improve these figures. It is apparent at this stage, that the project will meet the originally anticipated practical completion. However, the critical path activities are S1-06-19 Design and Documentation of Bridges and W1-22-20 Improvements to Key Crossings - Bridges and Culverts. These two activities are sequential and require close monitoring. At this stage, the construction is anticipated to be completed in early April 2022. Refer to Appendix 1 for **Works Programme**.

### *Institutional Stream*

In July, VIRIP presented to the National Recovery Committee a position paper, prepared by the DRF International Consultant and containing a series of recommendations on Leadership and management of the NDRF completion and roll-out, July 2019 – December 2021. The paper recommended:

- Creation of an NDRF Steering Committee as a standing committee of the NRC, to be backed up by a Director-level NDRF Operations Committee.
- Strengthening of DSPPAC's capacities in disaster recovery and the formation of a small NDRF team of national consultants.

The paper contained a detailed NDRF roll-out and operationalization budget. It was proposed that the Government request VIRIP to finance the team of national consultants, as well as to continue supporting the NDRF completion and roll-out through 2021, to be complemented by funding support from other

donors. The position paper was endorsed by the NRC and then approved, in principle, by the World Bank during the Mid-Term Review.

Simultaneously, the DRF International Consultant submitted to Government an NDRF Preparatory Working Paper and Work Plan, 2019-2021. Containing many of the substantive elements of an eventual NDRF, the paper also contained a detailed work plan and budget for NDRF preparation and roll-out, together with in-depth background notes and recommendations on issues of particular criticality, including community capacities and resilience; gender equity, social inclusion, environmental and social safeguards; and recommendations related to legislation, policies, institutional responsibilities and risk-informed development. The Government, in turn, submitted the Working Paper and Work Plan, together with the NRC position paper and budget proposals, to the Government-World Bank Mid-Term Review of the VIRIP project.

The MTR approved the Working Paper and Work Plan, with some revisions. The paper was finalized in August 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 and will start work shortly.

**Project Management**

Since the MTR, the Project Manager/Coordinator has led a review of the roles and functions of the PST for the second half of the project. This will require the modification to the PST staffing and the respective terms of reference. As this stage, the anticipated changes are:

- Project Manager/Coordinator, Contracts Manager and Safeguards Specialist, apart from their current roles and functions, will support the development of the NDRF.
- The role of the Procurement Officer will either morph into a Contracts Officer position or Contracts Officer role advertised as a separate position.
- A Compliance Officer/Engineer will be required to fulfil the increasingly need to monitor compliance across the activities under implementation. PWD has proposed to allocate a junior Engineer to the position, which if it occurs, will be an excellent outcome.

The PST will continue developing and updating a range of standard operating procedures for the project, harmonised with Government systems. During the period, the PST is reviewing a number of these manuals which is expected to continue throughout the remainder of 2019.

As a result of the internal audits during the previous period, internal quality control/assurance procedures have been introduced across the various functions of the project, including; procurement, contract administration, financial management and safeguards. Details of the improved quality control/assurance procedure will be provided in the updated Project Operations Manual.

**Financial Management and Performance**

The total project value as provided by Client Connection stands at USD 48,380,415. To date, disbursement stands at USD 11,529,211 which is equivalent to VUV 1,297.5 million. The table below highlights project value against undisbursed budget, expenditure not yet committed and contingency budget forecasted for the remaining budget cycle

Undisbursed Budget	Expenditure not yet committed	Contingency	Project Value	Contingency as a % of Undisbursed, Expenditure Uncommitted and Contingency Budget
\$ 36,851,205				\$ 368,512
	\$ 41,086,746			\$ 2,177,598
		\$ 29,978,690		\$ 1,049,254
			\$ 48,380,415	\$ 3,595,364

Exchange rate: 1 USD = VUV 112.54, Physical contingency is 5%, price contingency is 4% and forex contingency (XDR = VUV) is 1%

The table below shows how much budget has been committed for contracts that have been sign to date including works and service contracts.

Parts	Functional Classification	Commitment (USD)	Commitment (VUV)
1	Road Reconstruction and Improvement	\$ 9,474,241	Vt. 1,066,231,061
2	Schools Reconstruction and Improvement	\$ 3,618,590	Vt. 407,236,152
3	Public Building and Improvement	\$ 1,840,175	Vt.207,093,295
4	Project Implementation and Technical Support	\$ 3,468,719	Vt. 390,369,614
<b>Total</b>		<b>\$ 18,401,725</b>	<b>Vt. 2,070,930,122</b>

This exchange rate is very close to the statistical analysis mode of 1 USD = 112.54 VUV, over two years' exchange rate. That is 27<sup>th</sup> October 2019 to 26 September 2017.

The Table below shows how much budget remains for the intended program of activities yet to be fleshed out as per the Public Works Department works program.

Parts	Functional Classification	Unplanned Budget (USD)	Unplanned Budget (VUV)
1	Road Reconstruction and Improvement	\$ 11,545,008	Vt. 1,299,275,200
2	Schools Reconstruction and Improvement	\$ 8,699,606	Vt. 979,053,710
3	Public Building and Improvement	\$ 4,289,690	Vt.482,761,690
<b>Total</b>		<b>\$ 24,534,304</b>	<b>Vt. 2,761,090,600</b>

This exchange rate is very close to the statistical analysis mode of 1 USD = 112.54 VUV, over two years' exchange rate. That is 27<sup>th</sup> October 2019 to 26 September 2017.

The table below shows the contingency budget for any defects liability of the project.

Parts	Functional Classification	Contingency Budget (USD)	Contingency Budget (VUV)
1	Road Reconstruction and Improvement	\$ 3,361,166	Vt. 378,265,649
2	Schools Reconstruction and Improvement	\$ 681,804	Vt. 76,730,177
3	Public Building and Improvement	\$ 370,135	Vt.41,000,000
4	Project Implementation and Technical Support	\$ 1,031,281	Vt. 116,060,386
<b>Total</b>		<b>\$ 5,444,386</b>	<b>Vt. 612,056,212</b>

This exchange rate is very close to the statistical analysis mode of 1 USD = 112.54 VUV, over two years' exchange rate. That is 27<sup>th</sup> October 2019 to 26 September 2017.

To date VIRIP is managing 52 contracts including works contracts and service contracts. That is the value of contractual commitments of works and service contracts totalled to Vt. 2,029.6 million. In the same vein, the expenditure to date stands at Vt.822.3 million (2017 to June 2019).

### **Cash Flow**

The budget is fixed on XDR and to date the Project Value is USD 48,380,415. This budget is equivalent to about Vt.5,444.1 million. In terms of cash flow, disbursement from the World Bank is Vt. 1,297.5 million received to date of which Vt.771.5 million under Grant and Vt. 586.0 million under Credit. This is based on actual expenditures expedited and submitted to the bank for reimbursement.

The above undisbursed amounts are subject to review because of the uncertainty in the foreign exchange currency movements.

### **Expenditure, Q3**

VIRIP performance for Quarter 3 2019 was very good as this was reflected in the actual expenditure of Vt.270.1 million relative Vt.202.1 million in Quarter 2 2019.

In Quarter 2, 2019 the World Bank disbursed to the Designated Account held with the Reserve Bank a total of Vt.215.6 million of which Vt.156.9 million is Grant and Vt. 58.7 million is Credit respectively. These amounts were allocated into the four different parts of VIRIP namely – Roads, Schools, Public Buildings and Project implementation.

The Outstanding Commitments for 2019 stands at Vt.1,244.6 million. This comprised signed contracts for all project parts, excluding incremental operating costs. In Quarter 3, 2019 the World Bank disbursed Vt.173.3 million and Vt.81.4 million under credit to the Designated Account held with the Reserve Bank of Vanuatu

## **Safeguards**

During the period, eight activity screening forms were developed for submission to the Bank, seven ESMPs and seven CESMPs developed and approved. At the Mid Term Review it was agreed to further refine ESMPs using a more codified approach. This will also be reflected in CESMP requirements and work on both of these will be advanced in Q4.

In terms of capacity building, the Safeguards Specialist (SS) gave presentations on VIRIP safeguards systems at all pre-tender meetings for schools and roads packages and the SS is attending all initial contract prestart meetings to set expectations for safeguards with Contractors. Separate sessions with consulting engineers and supervision consultants also took place over the quarter to improve safeguards understanding and capacity.

Community meetings continue to take place with the joint induction and awareness meetings proving a valuable tool in managing understanding and setting out safeguards requirements on a site by site basis

## **Procurement**

During the period the services of the Procurement Specialist was terminated for convenience. The Project Manager/Coordinator has assumed the responsibilities of the Procurement Specialist in the interim, until a permanent solution is determined. During the period the following items of procurement were either started, underway or completed:

- S1-06-19 Design and Documentation of Bridges
- W1-05-18 Pentecost - Improvement to South Pentecost Road
- W1-07-18 Tongoa - Road Improvements
- W1-18-19 Erromango Dillons Bay Road Improvements (10 x IBC)
- W2-09-19 Package 9: Efate - Kawenu
- W2-11-19 Package 11: Aneityum - Teruja High School
- W3-04-19 Package 4: Ministry of Health Buildings - Erromango
- S4-11-19 NDRF Team Coordinator
- S4-12-19 NDRF Recovery Specialist

During the next quarter a high concentration of procurement will be started:

- W1-16-19 Malekula - Road Improvements
- W2-07-18 Package 7: Paama - Vutekai, Lire, Lehili and Luvil
- W2-10-19 Package 10: Malekula - Lonvat Junior High School
- W2-12-19 Package 12: Tongoa - Nabangasale High School
- W2-13-19 Package 13: Ambrym - South East Endu-Leleut, Roromai, Paamal and Senai
- W2-14-19 Package 14: Ambrym - North Tobol, Linbul, Ranon and Fania
- W2-15-19 Package 15: Ambrym North - Magham, Olal, Megamone and Fonteng
- W3-05-19 Package 5: Ministry of Health Buildings Pentecost and Maewo
- W3-08-20 Package 8: Penama Headquarters
- S4-13-19 DRF International Consultant

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.

## **Monitoring and Evaluation**

The focus in the period has been responding to a request during the MTR to update the results framework. The results framework has been updated but is not applied in this report as final approval is still required given some targets are to be confirmed based on discussions around financing. The revised results framework will be ready for use in the next reporting period.

### ***Risk Management and Key Lessons Learnt***

A risk analysis has been developed to identify some key lessons learned during the first two and half years of implementation. The intention is to reflect on the key learnings from a strategic, technical and operational perspective. Refer to Section 6.

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

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

## 1. Introduction

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

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

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

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

## 2. Operating Context (July-September 2019)

The overall operating context for the program continues to improve. PWD remains stretched with conflicting priorities and in particular with the Feeder Road Program. The PST has continued to brief the Director, PWD (Chairman Project Implementation Committee) on the project and progressively seek guidance on future initiatives. The MOET remains a strong stakeholders and design work has progressed through contract with Kramer Ausenco. Work with DSPPAC continues to progress with engagement for both public buildings and the development of the National Disaster Recovery Framework (NDRF).

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

Rate of disbursement has increased and will accelerate towards the end of 2019, in line with expected cash flow projections. Based upon progress during quarter, at the current rate, the project will be on target to complete activities by the Project Closing Date, having overcome significant initial delays.

### ***Policy development***

The Prime Minister's Office and Department of Strategic Planning, Policy and Aid Coordination (DSPPAC) has had good buy-in to works towards the development of the National Disaster Recovery Framework (NDRF). During the quarter, the DRF Consultant remobilised and provides support via remote. Two local positions identified for the development of the NDRF were agreed to be funded under VIRIP and procurement has started.

### ***Public Works Department (PWD) / Ministry of Infrastructure and Public Utilises (MIPU)***

The operating context within Public Works Department (PWD) has improved. The Minister has been regularly briefed. A good working relationship has been formed. PWD has generally worked well with the services of the S1-01-17 Design and Documentation of Roads. These services are coming to a close with the completion of the last two remaining activities under Part 1. PWD has generally performed well in the role and function of Construction Supervisor for the numerous contract.

### ***Roads for Development (R4D)***

The working relationship between the VIRIP and the DFAT funded Roads for Development (R4D) had grown with the new R4D team.

### ***Ministry of Education and Training (MoET)***

Ministry of Education and Training (MoET) remains a strongly active stakeholder. MoET has worked hard with its design consultant Kramer Ausenco (S2-01-18 Survey and Documentation of School Buildings) to developing and implementing a strategy for plans, surveys and designs of Part 2. The design services are now coming to a close and should be complete by early 2020. MoET has generally performed well in the role and function of Construction Supervisor for the numerous contract.

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

DSPPAC has been active with the implementation and finalisation of selected activities under Part 3: Public Buildings. DSPPAC has been also active with the development of the National Disaster Recovery Framework (NDRF). There has been greater emphasis on DSPPAC during this quarters, as these activities are implemented.

DSPPAC has also worked hard with its design consultant Kramer Ausenco to develop a strategy for completion of surveys, designs and implementation of Part 3. This Strategy has been issued early this quarter. DSPPAC has generally also performed well in the role and function of Construction Supervisor for the numerous contract.

### ***National Recovery Committee (NRC)***

The National Recovery Committee (NRC) continues to play a strong role and has become more active in the implementation and management arrangement of VIRIP. This has been a notable change in the context as recorded in the Mid Term Review process. A number of members are taking a greater role and interest in VIRIP.

### ***Project Implementation Committee (PIC)***

There has been no meetings of the Project Implementation Committee (PIC) during the period, whilst it awaits the outcomes on the draft Aide Memoire for the Mid Term Review for deliberation. Engagement with Chairman has been positive and PST and VIRIP advisers have engaged with individual members of the PIC on individual project Parts.

### ***World Bank***

Involvement of the World Bank in the project continues to be influential. The Mid Term Review (MTR) occurred during early August with a follow-up Financial Management mission expected in October. During the first part of the MTR the Government and World Bank actively reviewing the progress to date

and the future needs of the project. The key recommendations from the Government were reviewed and were generally agreed. Refer to *Recommendations* below.

### **Recommendations**

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

<b>Key Recommendations from Annual Report</b>	<b>Summary of progress</b>
<b>Recommendation 1:</b> 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.
<b>Recommendation 2:</b> 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.
<b>Recommendation 3:</b> 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.
<b>Recommendation 4:</b> 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.
<b>Key recommendation from QPR 1 – Jan-March 2018</b>	
<b>Recommendation 1:</b> Communications with relevant stakeholders require improvement. PST to develop and implement a communication strategy that meets the requirements for information from politicians, key government agencies, World Bank and general public.	Q1/2019: Communications with key stakeholders worsened during the period, with the Minister and Chairmen NRC expressing their concern a lack of information. During the period a concerted effort was required involving the World Bank TTL to confront these concerns and deal with misunderstandings more generally.  Q2/2019: Communications has noticeably improved with regular meetings with Minister and NRC and productions of highly focussed briefs.
<b>Recommendation 2:</b> During the upcoming period, VIRIP must increase the pace of procurement to meet the project requirements and improve perception of project performance.	Q1/2018: Pace significantly increased and made more efficient. SLO blanket clearance of bidding documents has reduced the length of the procurement process considerably. Currently, STEP shows only 1 delayed procurement. Q2/2019: Procurement has noticeably improved with delivery of technical packs.
<b>Recommendation 3:</b> During the next 2 quarters, VIRIP must transition to improving the resilience of the long term recovery, including development of the Disaster Recovery Framework and supporting the subsequent reform measures within the scope of the project.	Q1/2018: DRF Consultant sourced and mobilised. Significant progress already made on services to date. However, the direction from the Government for the DRF Consultant to assist with the development of a DRF for Ambae will affect the original program. At this stage it is expected that the generic national DRF will be completed by June 2019. However, more buy-in is required from DSPPAC and other stakeholders, including NRC.

	Q2/2019: Much greater awareness of resilience initiatives, including NDRF. NRC supports the development of the NDRF and Recovery Unit.
<b>Recommendation 4:</b> The transitional arrangement with R4D and the second phase of that programme require clarification. Most notably, it is essential the roles, functions and inter-relationship between the VIRIP and R4D must be made clear.	Q1/2018: Clarification eventually sought. However, initially some aspects were unclear, most notably the oversight of IBC Contractors. During the September World Bank mission, the position of DFAT was expressed, whereby they indicated that R4D consultants would not be involved with VIRIP-funded IBC works. This remains a concern. Q2/2019: New R4D2 team arrived during period, introducing new transition arrangement.
<b>Key recommendation from QPR 3 – Jul-Sep 2018</b>	
<b>Recommendation 1:</b> Communications with relevant stakeholders require improvement. PST to develop and implement a communication strategy that meets the requirements for information from politicians, key government agencies, World Bank and general public.	Q3/2018: Refer above
<b>Recommendation 2:</b> During the upcoming period, VIRIP must maintain the pace of procurement to meet the project requirements and improve perception of project performance.	Q3/2018: Systemisation has played the largest role in increasing the pace of procurement. We are now conducting a market survey of up to 20 companies which will provide more information on which to further develop the Acquisition Strategies. 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).
<b>Recommendation 3:</b> Application of acquisition strategies will reduce the number of procurements that need to be conducted; reducing the transactional cost of procurement.	Q3/2018: VIRIP has begun to apply more advanced acquisition strategies to reduce the transactional cost of conducting procurements. As an example, 4 Activity Proposals with 4 associated procurements were assumed for remediation of 10 public buildings in Pt Vila. These potential 4 procurements will now be conducted as 1 procurement. We note there is still more work to be done in this space. Q3/2019: Procurement Strategy completed.
<b>Recommendation 4:</b> 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.
<b>Recommendation 5:</b> PWD must clarify how the IBCs funded under VIRIP will be supervised and trained.	This has occurred. Refer above.
<b>Recommendation 6:</b> 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.
<b>Key recommendation from QPR 1 2019 – Jan-Mar 2019</b>	
<b>Recommendation 1:</b> 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.
<b>Recommendation 2:</b> 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.
<b>Recommendation 3:</b> Capitalisation on good progress in safeguards.	Q1/2019: Exploit opportunities in this area, requiring a strategy agreed leading up to the MTR.
<b>Key recommendation from QPR 2 2019 –Apr-Jun 2019</b>	
	Outcomes of the Mid Term Review

<p><b>Recommendation 1: Relevancy.</b> The project needs to emphasise its ability to improve resilience, across all Parts of the project. In light of the development of the NDRF, VIRIP should assist the Government, where possible, be better prepared for immediate and effective responses to any crisis or emergency. The NDRF should be formally recognised as an output of VIRIP.</p>	<p>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.</p>
<p><b>Recommendations 2: Governance.</b> The role and function of the NRC should be formalised, together with its relationship to the PIC.</p>	<p>Q3/2019: It was recognised that the role and function of the NRC should be formalised, together with its relationship to the PIC.</p>
<p><b>Recommendation 3: Institutional Stream.</b> 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.</p>	<p>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.</p>
<p><b>Recommendation 4: Perception.</b> The interpretation of VIRIP and its intended inputs, outputs and outcomes should be refined to ensure there is clarity with stakeholders.</p>	<p>Q3/2019: It was agreed to concentrate on VIRIP increasing 'resilience'.</p>
<p><b>Recommendation 5: Expectations.</b> There needs to a recognition that Bank-funded projects are, by their nature, slow to mobilise. However, there should be open commitment by both parties that through VIRIP, to the extent possible, that Bank-funded responses to future crises and emergencies can be mobilised much more quickly. In line with the NDRF, this would involve VIRIP assisting the Government in identifying means of hastening planning, design, procurement and implementation.</p>	<p>Q3/2019: This was generally agreed. Bank agreed to support NDRF.</p>
<p><b>Recommendation 6. Communications.</b> Resources need to be allocated to effective communications. This will provide adequate exchange of information and direction, reduce misinformation, improve perceptions and meter expectations.</p>	<p>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.</p>
<p><b>Recommendation 7. Procurement.</b> There needs to be a recognition of the lack of local contractor capacity. VIRIP needs to have an agreed capacity development programme for local contractors. Dedicated resources from VIRIP to assist procurement should continue. In line with the NDRF, VIRIP procurement systems must be more fully aligned and harmonised, to the extent possible.</p>	<p>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.</p>
<p><b>Recommendation 8. M+E.</b> The results framework was designed to build upon the results framework in the PAD. The PAD results framework does not cover the full scope of work currently being implemented by VIRIP. The results framework has been aligned to reflect the PAD for the purposes of the MTR but there may be scope to consider additional change.</p>	<p>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.</p>
<p><b>Recommendation 9. Coordination.</b> DSPPAC needs to be more integrated into VIRIP, to ensure there is less chance of duplication and inefficiency of recovery efforts.</p>	<p>Q3/2019: Internal issue. Generally agreed.</p>
<p><b>Recommendation 10. IBCs.</b> Role and involvement of IBCs in the future must be discussed, in line with the PDO, results framework and NDRF.</p>	<p>Q3/2019: It was agreed to continue to use Island Based Contractors, as long as adequate justification is provided.</p>

### 3. Status of Implementation and Key Results

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

OBJECTIVES (What you want to achieve)	INDICATORS (How to measure change)	Overall Program Target (2018-2021)	Targets January-December 2018	QUARTERLY PROGRESS (Jan-Mar 2019)	% Progress in QTR	CUMULATIVE ANNUAL PROGRESS	% over all 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.		The RAI will be assessed again in 2020  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.	
	# 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	100 %	To be tracked in grater detail now schools have been differentiated.	10%
	# users/beneficiaries with access to schools facilities that have been reconstructed to higher structural safety standards (new construction) or upgraded (repairs and retrofits) <sup>2</sup>	3,000	Maintaining workplan targets				

<sup>2</sup> 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			
<b>Intermediate Outcome 2:</b> 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	Ta total of 621 students are being reached with facilities that have been maintained to a higher standard	50%	As indicate din the quarter section. To be tracked on an on-going basis..	0%
<b>Intermediate Outcome 3 - Key policies and strategies to guide future emergency responses developed</b>	NDRF reconstruction policy and strategy developed and approved by COM.	NDRF accepted and resourced	NDRF Document prepared for submission	Drafting of the NDRF continue.	25%	Policy and strategy currently being drafted.	85%
<b>Output 1: Infrastructure Provision</b> 1.1 Road Assets reconstructed and improved	#Km of roads improved  # physical infrastructure enhancements	23 km  250	60	No works completed during the period, but significant number of contracts signed and preparation for the tenders, including: Pentecost - Improvement to South Pentecost Road, Epi - West Epi Road Improvements - FRC, Tongoa - Road Improvements, Tanna - Lowiaru-Imafen Road Improvement - FRC, Ambrym Road Improvements, Paama Road Improvements, Malekula - Road Improvements, Pentecost - Lesa-Lekasubu Road Improvements, Pentecost - Elislis-Loltong Road Improvements (12 x IBC), Tanna - Iatakuey Hill Road Improvements, Tanna - Imake Hill Road Improvements, Improvements to Key Crossings - Bridges and Culverts.	9%	A total of 19,654 km of roads has been completed to date. A total of 33 physical enhancements are completed with 42 currently in progress	52%

1.2 Schools reconstructed to a higher standard	<ul style="list-style-type: none"> <li># schools/classrooms repaired and constructed each year.</li> </ul>	40	5	Works started on Packages 1, 2, 3, 4, 5 and 8. Packages 6, 7, 9, 10 and 11 have been inspected. Technical packs are being prepared. The Asbestos Specialist will remobilise in 2019 to train key individuals to sample for asbestos in the remaining schools.	*%	0 schools completed to date. *Works program was readjusted for slower than expected design and procurement. Variation Orders in line with the Arrup design changes have been negotiated with each of the 5 contracts and signed off by the Minister. Some structural grade timber is not available locally adding to construction time	36%
1.3 Public buildings reconstructed to a more resilient standard	<ul style="list-style-type: none"> <li># buildings constructed</li> </ul>	20	3	Packages 1, 2 and 3 under contract and well underway.	12%	A total of 15 buildings are currently in progress. Two(2) buildings have achieved practical completion. One(1) building will reach practical completion in late November and twelve(12) buildings are expected to achieve practical completion in December 2019.	44%
1.4 IBC's able to construct assets and buildings to a higher standard	<ul style="list-style-type: none"> <li># of IBC contracts signed</li> <li>% of IBC meeting time, cost and quality</li> </ul>	30 contracts TBC	8 contracts TBC	8 additional IBC contracts signed in the June quarter. A total of 29 signed as at the end of June 2019, with 20 "Under Implementation".	57%	A total of 29 IBC contracts signed and initiated since the commencement of VIRIP. However eleven(11) contracts were terminated as it was determined that the Chinese would be undertaking these. VIRIP funds that were expended on those terminated contracts is currently being returned to VIRIP by PWD. There now remains eighteen (18) contracts being funded through VIRIP. Eight(8) of these contracts out of the eighteen(18) have now achieved practical completion.	97%
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	2,000 days	To be calculated based on the data being included into the dashboard.	22%	A total of 7,546 worker days have been generated on roads (6,575 male and 971 female) A total of 3,374 worker days for schools (3,060 males and 314 females) A total of 642 working days have been generated on Public Buildings (632 male and 10 female).	44%
<b>Output 2: Institutional arrangements</b> 2.1 Key policies and strategies to guide future emergency responses developed	<ul style="list-style-type: none"> <li>Reconstruction policy and strategy developed</li> </ul>	1	Progression of policy and strategy	Good progress on DRF during period. However, buy-in from stakeholders required.	10%	NDRF framework currently in progress.	80%
2.2 Safeguards Framework developed and applied	<ul style="list-style-type: none"> <li>Safeguard framework approved</li> </ul>	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.	100%

2.3 People engaged and supporting community decision making structures (fewer grievances)	<ul style="list-style-type: none"> <li>% grievances responded to within agreed timeframes</li> </ul>	95% of grievances responded to within timeframes	GRM fully incorporated into all safeguards management documents.	GRM sets out mechanism for project including contractors and supervisors Community consultation taking place at initial scoping and onwards.	50%	A total of 5 grievances have been reported for roads and these have been responded to within agreed timeframe (2-weeks). A total of 1 safety issue has been recorded.	50%
<b>Output 3: Project Management -</b> 3.1 Project finances managed according to both GoV and World Bank guidelines and procedures	<ul style="list-style-type: none"> <li># of contractors and service contracts approved in each fiscal year.</li> <li>% of variation amounts approved in each fiscal year</li> </ul>	# contracts  10% reduction in year on year contract variations	# contracts  variations per contract year	16Contracts let  4 variations	20%	<ul style="list-style-type: none"> <li>Relevant financial management systems have been established and operational. Semester accounts have been audited.</li> <li>46 Work Contracts have been executed to 30/06/2019 - 37 Roads, 6 Schools, 3 Public Buildings</li> <li>Total Value of Works Contracts equals US\$12.08M (inclusive of Variations)</li> <li>Value of Works variations US\$ 0.835M</li> <li>Total Value of Services Contracts US\$2.61M inclusive of variations</li> <li>Value of Services variations US\$0.983M</li> </ul>	20%
3.2 Infrastructure contracts managed and supervised in an effective and sustainable manner	<ul style="list-style-type: none"> <li># of payments released on a quarterly basis</li> <li>#of payments made to contractors and contracts within approved budgets.</li> </ul>	As required	As required	51 payments released (services)  35 payments made to contractors	50%	Service Contracts – 225 Payments to Date  Works Contract – 110 Payments to date	50%
3.3 Lessons learned and reflection events completed	<ul style="list-style-type: none"> <li>Annual lessons learned and reflection event completed</li> </ul>	5 events	1 per year	Key lessons learned were discussed with the PST and key stakeholders during the MTR briefing and review process.	30%	A total of two workshops have been facilitated to date and included as part of the six-monthly reporting process. A series of lessons were also discussed as part of the preparations for the MTR.	30%

## 4. Program Implementation (Narrative Section)

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

### 4.1 Part 1. Road Reconstruction and Improvement

#### Overall

Part 1 is 52% complete which is approximately where this Part was anticipated as per the 2018 Annual Report. The 2017 Annual Works Plan (AWP) is 85% complete. 2018 AWP is 70% complete and has lagged mainly because of the delay of W1-05-18 Pentecost - Improvement to South Pentecost Road. The 2019 AWP is currently 30%, which increased by 8% last quarter.

#### Services

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

Task Name	Cost	% Complete	% Work Complete
Services	\$1,601,843	76%	
S1-01-17 Design and Documentation of Roads	\$296,071	75%	73%
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	61%	69%
S1-06-19 Design and Documentation of Bridges - Critical	\$490,666	56%	5%

The value of all Services currently represent 6% of the value of the entire Part. It is expected that the total cost of the Services will marginally increase with addition of the supervision services for 2020 - 21 included in the schedule for a total value of Services around 10%, which is realistic for the nature of services and works.

Design and Documentation of Roads awarded to QCL improved its outputs with the varied contract to introduce more effective design management and quality assurance. Development of the Quality Control Manual is complete with training delivered on time. This manual now provides detailed procedures and forms for contract quality issues, harmonised with PWD and MoET systems. This contract was varied to include the development of a complementing Contractor's Quality Plan (CQP) – Template, which is now complete. Services of the supervisor for the Tanna works is now complete. The supervision of 2018-2019 works is well underway and performing very well. Design services for bridges was awarded to Cardno during the period and is on the project critical path.

#### 2017 Annual Works Plan

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

Task Name	Cost	% Complete	% Work Complete
2017 Annual Works Plan	\$3,195,657	85%	
W1-01-17 Tanna - King Cross Road Improvement - FRC	\$965,320	100%	100%
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	\$2,067,297	67%	90%
W1-03-17 Malekula - Improvement to Batven Stream (Neramb) Crossing (2 x IBC)	\$76,515	100%	100%
W1-04-17 Malekula - Improvement to Unua 5 Stream (Blacksand) Crossing (2 x IBC)	\$86,525	100%	100%

The first items of work were contracted prior to the end of 2017. It was subsequently agreed to vary the W1-02-17 Tanna - King Cross Road Improvement - Bitumen to improve the Isangel Loop Road and Hospital Road through extension of the same rates and extension of time. This variation has taken some time, mainly because of design and budget issues. The last two activities in Malekula have been delayed because of design concerns and are now complete.

### **2018 Annual Works Plan**

The 2018 AWP includes eight VIRIP funded works activities.

<b>Task Name</b>	<b>Cost</b>	<b>% Complete</b>	<b>% Work Complete</b>
2018 Annual Works Plan	\$5,734,879	70%	0%
W1-05-18 Pentecost - Improvement to South Pentecost Road	\$2,109,561	26%	0%
W1-06-18 Epi - West Epi Road Improvements - FRC	\$799,795	88%	0%
W1-07-18 Tongoa - Road Improvements	\$647,744	75%	0%
W1-08-18 Tanna - Lowiaru-Imafen Road Improvement - 1000m FRC	\$870,229	99%	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	\$590,052	100%	100%
W1-14-18 Ambrym Road Improvements (4 x IBC)	\$190,363	63%	20%
W1-15-18 Paama Road Improvements (4 x IBC)	\$188,929	63%	20%

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

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

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

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

Mangaliliu Road Improvement - FRC is completed. Ambrym and Paama works were contracted and well underway.

### **2019 Annual Works Plan**

<b>Task Name</b>	<b>Cost</b>	<b>% Complete</b>	<b>% Work Complete</b>
2019 Annual Works Plan	\$5,063,966	30%	0%
W1-16-19 Malekula - Road Improvements	\$2,326,802	14%	0%
W1-17-19 Pentecost - North and Central Pentecost Road Improvements	\$1,000,000	26%	0%
W1-18-19 Erromango Dillons Bay Road Improvements (10 x IBC)	\$439,862	12%	0%
W1-20-19 Tanna - Iatakuay Hill Road Improvements	\$971,787	67%	5%
W1-21-19 Tanna - Imake Hill Road Improvements	\$325,515	67%	5%

Malekula - Road Improvements is expected to be tendered in November as one package because of isolation and contiguous nature of the works.

Iatakuey Hill Road Improvements and Imake Hill Road Improvements was tendered and awarded as separate package with the Contractor mobilising 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 - Critical	\$9,000,000	0%	0%

Design for the bridges and culverts has been awarded to Cardno and is currently underway. Prequalification is considered essential to assist with the identification of suitable contractors.

### **Goods**

Task Name	Cost	% Complete	% Work Complete
Goods	\$120,038	100%	100%
G1-01-18 Purchase of 4 Vehicles	\$120,038	100%	100%

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

### **Unallocated Activities**

Task Name	Cost	% Complete	% Work Complete
Part 1: Road Reconstruction and Improvement UNALLOCATED	\$748,000	39%	0%
W1-19-19 Epi - Epi Drainage Improvements	\$748,000	39%	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 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**

### **Overall**

Part 2 is 44% complete, after the works program was readjusted for slower than expected design and procurement. Provision of services are generally on track. The 2018 Annual Works Plan (AWP) is slightly slower than expected, as a result of delays in procurement and provision of designs and documentation. The 2019 AWP is underway with a large number of activities requiring procurement. The remainder of the activities for Part 2: Schools for the 2020 AWP will generally consist of the most difficult activities with isolated locations, high schools and those schools with unique design requirements. These activities are under planning, with an approved methodology for prioritization and implementation. As a result of the introduction of resources, systems and new tenderers, it is believed that this program is realistic. The Global Program for Safe Schools (GPSS) has been positive in its outcomes in amongst other outputs producing a structural review of existing standard drawings for standard classrooms. This has been problematic for existing contracts and future tenders, as contracts and drawings modified/varied to suit the new design.

### **Services**

Task Name	Cost	% Complete	% Work Complete
Services	\$887,756	84%	
S2-01-17 Survey and Documentation of School Buildings	\$338,000	94%	84%
S2-02-17 Asbestos Specialist	\$70,300	92%	57%
S2-03-17 Land Registration Officer	\$31,247	83%	73%
S2-04-17 Safeguards Officer	\$65,733	85%	69%
S2-05-18 Supervision of 2018-2019 Works	\$382,476	67%	60%

The survey and documentation of school buildings has been contracted and have developed a Strategy for the completion of survey, documentation and limited design for the existing and remaining packages. The services have been affected by the outcomes of the GPSS review of the standard classroom design. This will require the variation of existing contracts and modification of the existing design for future tenders. During the period, the Asbestos Specialist further trained local MoET and other staff on the sampling of Asbestos, to visit all sites. This outcome provides a cost effective solution. Supervision of the 2018-2018 Works is well underway and varied to also supervise the Public Buildings. These services have required continued oversight, as the Consultant has struggled with adoption of standard systems (notably the CAM and QCM).

VIRIP continues to work with MoET and their Land Registration Officer to either establish landholder agreements as a formal 'right of use' or lease.

### **2018 Annual Works Plan**

<b>Task Name</b>	<b>Cost</b>	<b>% Complete</b>	<b>% Work Complete</b>
2018 Annual Works Plan	\$2,889,922	71%	
W2-01-18 Package 1: Efate - Eton and Ekiye	\$680,205	81%	75%
W2-02-18 Package 2: Nguna, Pele and Emau	\$317,714	89%	5%
W2-03-18 Package 3: Efate - Etas, Maumau	\$422,667	85%	73%
W2-04-18 Package 4: Epi - Bonkovio, Lamenu, Akama, Mafilau	\$618,860	82%	45%
W2-05-18 Package 5: Efate - Nuakwanapu, Greenhill and Nakuskasaru	\$607,476	66%	5%
W2-07-18 Package 7: Paama - Vutekai, Lire, Lehili and Luvil	\$243,000	11%	0%

Procurement on the first five packages of works is complete. Package 1 was contracted and has served as the test case. Package 2, 3 and 4 were contracted and now underway. Packages 5 were issued during the period and now contracted. Packages 7 were inspected during period. This package of works will be issued for tender shortly.

### **2019 Annual Works Plan**

<b>Task Name</b>	<b>Cost</b>	<b>% Complete</b>	<b>% Work Complete</b>
2019 Annual Works Plan	\$8,820,363	8%	
W2-08-19 Package 8: Tongoa - Malawia, Ere, Nottage, Itakuma and Naworaone	\$530,097	75%	53%
W2-09-19 Package 9: Efate - Kawenu	\$342,857	16%	0%
W2-10-19 Package 10: Malekula - Lonvat Junior High School	\$2,100,000	0%	0%
W2-11-19 Package 11: Aneityum - Teruja High School	\$2,514,286	5%	0%
W2-12-19 Package 12: Tongoa - Nabangasale High School	\$228,000	6%	0%
W2-13-19 Package 13: Ambrym - South East Endu-Leleut, Roromai, Paamal and Senai	\$623,000	0%	0%
W2-14-19 Package 14: Ambrym - North Tobol, Linbul, Ranon and Fania	\$522,000	0%	0%
W2-15-19 Package 15: Ambrym North - Magham, Olal, Megamone and Fonteng	\$347,000	0%	0%
W2-16-19 Package 16: Pentecost - Central Vanmanla, Lalmazette, Torlie, Tanbok and Ubiku	\$899,123	0%	0%
W2-19-19 Package 19: Futuna - Ishia	\$714,000	6%	0%

Package 8 was issued for tender and now contracted. Other Packages are under design, prior to tendering.

### **Unallocated Activities**

<b>Task Name</b>	<b>Cost</b>	<b>% Complete</b>	<b>% Work Complete</b>
Part 2: School Reconstruction and Improvement UNALLOCATED	\$4,464,123	4%	
W2-06-18 Package 6: Shepherds - Senecol, Coconak, Worarana, Makira and Mataso	\$1,000,000	13%	0%
W2-18-20 Package 20: Efate - Malapoa High School	\$1,700,000	0%	0%
W2-17-19 Package 17: Pentecost - South West Ben Motri, Londar (Baie-Martelli)	\$649,123	0%	0%
W2-18-19 Package 19: Pentecost - Baie-Barrier, Ranwas (Manu) St Henri (Lonfis)	\$486,000	0%	0%
W2-20-19 Package 20: Staff Houses - Susan Mate, Manganua, Lokopue, Moriu, Votlo, Nulnesa, Lopeni, Sikembo, Nalema	\$629,000	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**

#### **Overall**

Part 3 has rapidly progressed during the period to 44% after a very slow start. DSPPAC has been actively involved during the period with Survey and Documentation of Public Buildings (Kramer Ausenco Ltd (Kramers)) and provided 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**

<b>Task Name</b>	<b>Cost</b>	<b>% Complete</b>	<b>% Work Complete</b>
Services	\$742,220	78%	
S3-01-18 Survey and Documentation of Public Buildings	\$359,744	89%	86%
S3-02-18 Supervision of Public Building Works	\$382,476	67%	12%

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

#### **2018 Annual Works Plan**

<b>Task Name</b>	<b>Cost</b>	<b>% Complete</b>	<b>% Work Complete</b>
2018 Annual Works Plan	\$811,047	90%	0%
W3-01-18 Package 1: Catering Building	\$42,697	100%	100%
W3-02-18 Package 2: Remediation of Public Building in Port Vila	\$768,350	80%	66%

Catering Building is now almost complete. Package 2 was awarded and well underway and expected to be completed shortly.

### 2019 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2019 Annual Works Plan	\$3,769,025	21%	0%
W3-03-18 Package 3: METEO and PWD Buildings	\$412,025	91%	68%
W3-04-19 Package 4: Ministry of Health Buildings - Erromango	\$957,000	28%	0%
W3-05-19 Package 5: Ministry of Health Buildings Pentecost and Maewo	\$800,000	0%	0%
W3-05-19 Package 6: Ministry of Health Buildings Pentecost and Maewo	\$800,000	0%	0%
W3-07-19 Package 7: Ministry of Health Buildings Pentecost and Maewo	\$800,000	0%	0%

Package 3 is now well underway. Package 4 design was finalised during the period and issued to the market. Package 5, 6 and 7 are remote and have logistical problems, however the design for the dispensaries is now standardised, so the scope of works are more readily understood and the process of tendering is much easier. The works have been generally be packaged into of higher value works to increase efficiencies.

### 2020 Annual Works Plan

Task Name	Cost	% Complete	% Work Complete
2020 Annual Works Plan	\$550,000	0%	0%
W3-08-20 Package 8: Penama Headquarters	\$100,000	0%	0%
W3-09-20 Package 9: Norsup Hospital Maternity Ward	\$150,000	0%	0%
W3-10-20 Package 10: PWD Shefa Headquarters	\$300,000	0%	0%

Packages 8, 9 and 10 will be designed and tendered during Quarter 4.

### Unallocated Activities

Task Name	Cost	% Complete	% Work Complete
Part 3: Public Building Reconstruction and Improvement UNALLOCATED	\$800,000	0%	0%
W3-06-19 Package 6: VCH Pediatrics and Surgical	\$300,000	0%	0%
W3-07-20 Package 7: Tafea Cultural Centre	\$300,000	0%	0%
W3-11-20 Package 11: Norsup Airport Terminal	\$200,000	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.

### 4.4 Part 4 – Project Implementation and Technical Support

Task Name	Cost	% Complete	% Work Complete
Part 4: Project Implementation and Technical Support	\$3,525,818	58%	
Services	\$3,525,818	58%	
S4-01-16 Project Manager/Coordinator	\$1,122,200	59%	55%
S4-02-17 Safeguard Specialist	\$612,070	94%	93%
S4-03-17 Procurement Specialist	\$17,589	100%	100%
S4-04-17 Project Accountant	\$132,157	80%	78%
S4-05-17 Monitoring and Evaluation Specialist	\$197,900	71%	69%
S4-06-17 Procurement Specialist	\$420,491	90%	100%
S4-07-18 Contracts Manager	\$417,040	54%	46%
S4-08-18 Procurement Officer	\$54,000	53%	47%
S4-09-18 Junior Accountant	\$41,871	41%	35%
S4-10-18 DRF International Consultant	\$197,200	86%	85%
S4-11-19 NDRF Team Coordinator	\$89,000	8%	0%
S4-12-19 NDRF Recovery Specialist	\$84,300	8%	0%
S4-13-19 DRF International Consultant	\$140,000	0%	0%

Part 4 is 58% complete. 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 mentioned previously the services of the Procurement Specialist was terminated, which saved the project around USD100,000 in fees. As a result of the MTR, the services of S4-11-19 NDRF Team Coordinator and S4-12-19 NDRF Recovery Specialist have been added and S4-13-19 DRF International Consultant included in the procurement plan to continue the role of these services.

#### 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
54%	53%	24%	37%	21%

Practical completion is analysed by MS Project, across all project Parts and is the percentage of tasks and activities practically complete by the date of the report. Practical completion has been reconciled against contract implementation records, including variations and extensions of time.

The **Percentage Work** completed is shown in the Works Program in Appendix 1 and Section 4.

Total disbursements and financial commitments are still lagging, however there is a considerable amount of procurement occurring during the remainder of 2019 and early 2020, which will rapidly improve these figures. However, the critical path activities are S1-06-19 Design and Documentation of Bridges and W1-22-20 Improvements to Key Crossings - Bridges and Culverts. These two activities are sequential and require close monitoring. At this stage, the construction is anticipated to be completed in early April 2022.

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 be completed by the Project Closing Date. 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	\$52,724,657	53%
Part 1: Road Reconstruction and Improvement ALLOCATED	\$24,716,383	62%
Part 2: School Reconstruction and Improvement ALLOCATED	\$12,598,041	44%
Part 3: Public Building Reconstruction and Improvement ALLOCATED	\$5,872,292	46%
Part 4: Project Implementation and Technical Support	\$3,525,818	58%

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

As described in Section 4.8 below, the overall budget position of VIRIP has been reviewed. Based on the current SDR:USD foreign exchange rate, VIRIP has USD48.38 million, representing a loss of USD1.61 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.

### **Resources**

At this stage, it is believed there are adequate resources across all types to complete the project on budget and schedule. However, 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 inclusion of an institutional stream to the program occurred following in-depth internal consultations and discussions amongst the Stakeholders and PST team. The rationale for the inclusion of institutional elements was that effective long-term recovery strategies cannot be developed, applied and utilised without some level of support to strengthen existing systems, support enhancements and recommend possible changes.

In July, VIRIP presented to the National Recovery Committee (NRC) a position paper, prepared by the DRF International Consultant containing a series of recommendations on Leadership and management of the NDRF completion and roll-out, July 2019 – December 2021. The paper recommended creation of an NDRF Steering Committee as a standing committee of the NRC, to be backed up by a director-level NDRF Operations Committee. It also recommended strengthening of DSPPAC's capacities in disaster recovery and the formation of a small NDRF team of national consultants. The paper contained a detailed NDRF roll-out and operationalization budget. It proposed that the Government request VIRIP to finance the team of national consultants, as well as to continue supporting the NDRF completion and roll-out through 2021, to be complemented by funding support from other donors. The position paper was endorsed by the NRC.

Simultaneously, the DRF International Consultant submitted to Government an NDRF Preparatory Working Paper and Work Plan, 2019-2021. Containing many of the substantive elements of an eventual NDRF, the paper also contained a detailed work plan and budget for NDRF preparation and roll-out, together with in-depth background notes and recommendations on issues of particular criticality, including community capacities and resilience; gender equity, social inclusion, environmental and social safeguards; and recommendations related to legislation, policies, institutional responsibilities and risk-informed development. The Government, in turn, submitted the Working Paper and Work Plan, together with the NRC position paper and budget proposals, to the Government-World Bank Mid-Term Review of the VIRIP project.

The MTR approved the Working Paper and Work Plan, with some revisions. The paper was finalized in August 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 and will start work shortly.

#### **4.7 Project Management**

The PST has spent considerable effort and time developing a range of standard operating procedures for the project. These procedures include: (i) Project Operations Manual (POM); (ii) Safeguards Manual (SM). Compendium of documents consisting of; Resettlement Policy Framework (RPF), Grievance Handling Redress Mechanism (GRM) and Environmental and Social Management Framework (ESMF); (iii) Procurement Manual (PM). Consisting of the Public Works Department's Procurement Manual with the VIRIP Procurement Supplement; (iv) Financial Management Procedures; (v) Contract Administration Manual (CAM)\*; (vi) Quality Control Manual (QCM)\*; (vii) Monitoring and Evaluation

Plan (M&E Plan); (viii) Operations Manual\* (OM); (ix) Contingency Emergency Response Component (CERC); (x) Template Contractor’s Quality Plan (CQP); (xi) Model Contractors Environmental and Social Management Plan (CESMP) \*

The PST is currently reviewing that manuals indicated with (\*) which is expected to continue until November 2019, when they will be re-issued. A number of internal audits have been performed during the period, across the various functions of the project, including; procurement, contract administration, financial management and safeguards. Details of the internal audits were during the MTR.

#### 4.8 Financial Management and Performance

VIRIP performance for Quarter 3 2019 was very good as this was reflected in about 44% expenditure or Vt.270.1 million relative to 33% in Quarter 2 2019 or Vt.202.1 million.

The Outstanding Commitments for 2019 stands at Vt.1,232.0 million. This comprised signed contracts for all project parts, excluding incremental operating costs.

##### **VIRIP Works Program and Budget**

The Budget for VIRIP was reviewed in 2019 based on the Client Connection which stands at USD 48,380,415 or Vt.5,444.1 million, that is all contracts that have approved and signed including Incremental Operating Costs.

The expenditure for Semester 1 2019 was Vt.338.6 million and it is expected that this performance for the remainder of the year will pick up as most of the works contracts should be completed.

To date, the budget expedited stands at Vt.822.3million.

##### **Disbursement**

During Quarter 3 period, the World Bank disbursed a total Vt.254.7 million that include both credit and grant. Therefore, to date, the total financing disbursed stands at Vt.1,297.5 million which was an increase of about Vt. 100 million from quarter 2, 2019.

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

The Table below shows the drawdown of loans.

Total						VT 562,613,165
Credit	111,441,997	40,869,518	58,674,575	81,434,084		292,420,174
Grant	98,881,654	103,934,112	52,988,662	58,056,148	14,388,563	328,249,139

##### **Expenditures Q3**

In quarter 3, 2019 the expenditure stood at Vt.270.1 million. The main expenditure was attributed to roads which consumed Vt.130.9 million, followed by public building reconstruction and improvement at Vt.82.6 million, schools’ reconstruction and improvement at Vt.41.5 million and project implementation and technical support at Vt.15.1 million.

There is a marked improvement in expenditure performance in Quarter 3 compared to in Quarter 2 2019.

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

expenditures journal to the general ledger. This is a systematic process of the Smart Stream, where all expenditures are recorded from the general ledger; and (iii) contracts mobilisation is good which lead to invoices coming on time.

Overall, the performance for the Q3, 2019 has improved compared to the same period in 2018 and this is because projects implementation is underway.

**Expenditure to Date**

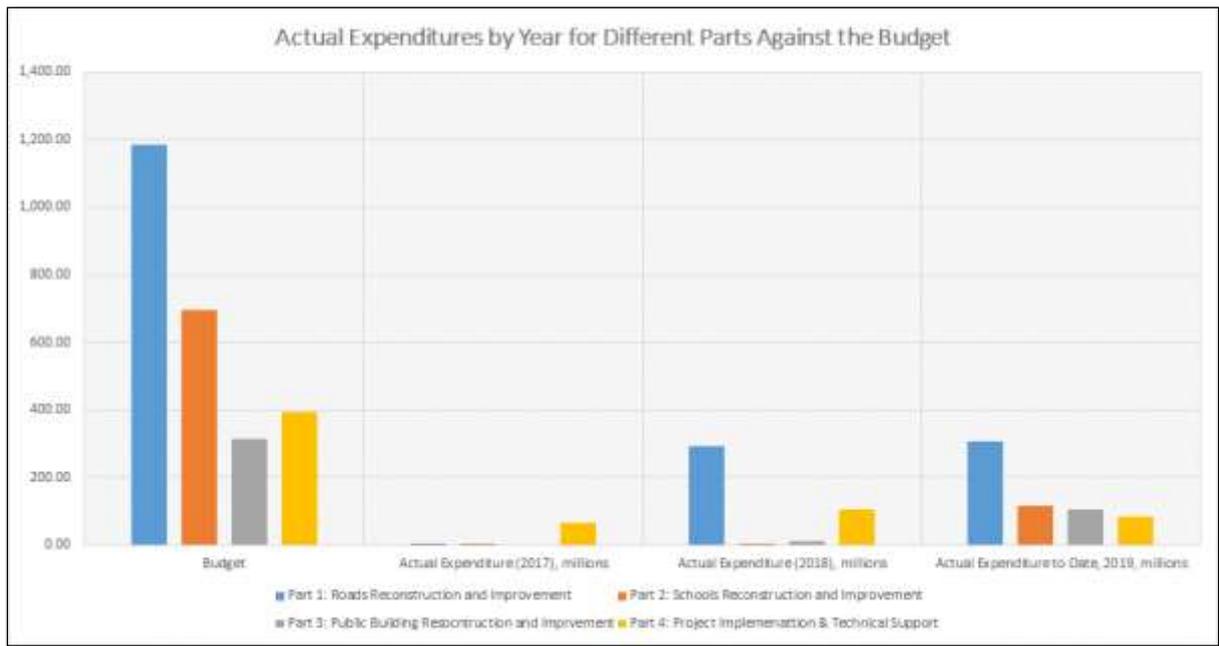
To date, the total expenditure stood at Vt.822.3 million which covers the period from 2016, 2017, 2018 and up to September 2019.

The total expenditure for Quarter 2, 2019, stands at Vt.202.1 million which includes all parts of the Vanuatu Infrastructure Reconstruction and Improvement Project (VIRIP).

The expenditure for 2018 fiscal year stood at Vt.387.5 million, that includes Vt.268.3 million on roads, Vt. 3.5 million on school, Vt.13.2 million on Public Buildings and VT.78.0 million on Project Implementation and Technical Support.

The 2018 expenditures have been audited by Law Partners, the accounting firm approved by the Auditor General’s Office that should be done in May 2019.

However, it was agreed by the World Bank on September 2019 mission by David Whitehead and Janet Camara that the 2018 audited should be reviewed following minor errors.



**Commitments**

The outstanding commitments to date stands at Vt.1,232.0 million. This includes also variations and incremental operating costs. The commitments will be reduced conditional to how fast the contractors mobilised and executing contract obligations according to the agreed timeframe. Timely supervision would be the trigger to ensure that works are done and audit on sites before tax invoice are provided for payment.

***Expenditure against budget to date (by component)***

The total value of the contracts signed to date stands at Vt.2,029.6 million including works and service contracts. The Outstanding Commitments to date stands at Vt.1,232.0 million. This includes TA and Works Contract as shown by different Parts of VIRIP in the Table below.



Table 2: 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)	Budget 2019 (VUV)	Budget 2020 (VUV)	Budget 2021 (VUV)
1	Roads Reconstruction and Improvement	24,079,306	2,626,713,095	874,957	292,748,317	2,,154,098,727	148,991,094	30,000,000
2	Schools Reconstruction and Improvement	13,000,000	1,407,418,527	4,482,513	3,541,326	293,477,384	1,038,482,935	67,434,369
3	Public Building	6,500,000	711,783,726	0	13,157,750	105,789,799	557,619,122	35,217,055
4	Project Implementation and Technical Support	4,500,000	484,734,633	65,159,379	103,737,818	233,155,742	53,394,951	29,286,743
	Total5	<b>48,079,306</b>	<b>5,230,649,981</b>	<b>70,516,849</b>	<b>413,185,211</b>	<b>2,786,521,652</b>	<b>1,798,488,102</b>	<b>161,938,167</b>

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

## Budget for Signed Contract

The activities that have been approved and contracted are shown below.

Table 3: Total Commitment to Date.

						Contracts (USD)	Contracts (VUV)
<b>Total Budget</b>						<b>\$ 18,094,955</b>	<b>2,029,584,262</b>
<b>PART 1: Roads Reconstruction and Improvement</b>						<b>\$ 9,424,933</b>	<b>1,059,556,533</b>
<b>Physical Works</b>						<b>\$ 7,876,805</b>	<b>886,455,587</b>
W1-01-17 Tanna - King Cross Road Improvement - FRC	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 900,695	101,254,181	
W1-02-17 Tanna - King Cross Road Improvement - Bitumen	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 1,528,791	217,096,192	
W1-03-17 Malekula - Improvement to Bates Stream (Meriana) Crossing (BRC)	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 71,389	8,034,066	
W1-04-17 Malekula - Improvement to Urua S Stream (Blackboard) Crossing (BRC)	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 80,728	9,085,298	
W2-05-18 Pentecost - Improvement to South Pentecost Road	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-06-18 Epi - West Epi Road Improvements - 800m PRC	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 746,210	83,978,470	
W3-07-18 Tonga - Road Improvements - 1000m FRC	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 804,347	90,013,172	
W1-08-18 Tanna - Luvuwa-Imafen Road Improvement - 1000m FRC	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 812,025	91,374,000	
W3-09-18 Tanna - White Cross Junction - Initial Road Improvement - Bridge and Culvert	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-10-18 Pentecost - Kawadi Point Coastal Road - Retaining Wall (1 x 18C)	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 148,209	16,689,578	
W1-11-18 Pentecost - Koriokoto Road Improvement (2 x 18C)	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 76,331	8,590,318	
W1-12-18 Pentecost - Wawaiki Hill - 100m FRC	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 135,451	14,118,282	
W2-13-18 Aniwan-Paama Point - Spot Improvements	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-13-18 Epi - Mangalila Road Improvement	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 350,520	39,555,580	
W1-14-18 Aniwan Roads Improvement - Sesei Rd	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 177,609	19,988,121	
W1-15-18 Paama Road Improvements	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 369,964	41,527,799	
W1-16-18 Malekula Road Improvements	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-17-18 Pentecost - Leta - Leta Road Improvements	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-18-18 Pentecost - Eba to Lihong Road Improvement	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-20-18 Pentecost - Eba to Bwatape Rd Improvement	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-18-10 Epi Drainage Improvements	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ -	-	
W1-20-19 Tanna - Intakusa Hill Rd Improvements	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 893,029	111,701,450	
W1-20-19 Tanna - Inaki Hill Rd Improvements	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 132,630	14,934,200	
SI-01-18 Purchase of 3 VEHICLES	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 83,997	9,453,260	
Purchase of Micro - Bikes	CREDIT	ICRR	Road Repairs and Maintenance	Works	\$ 74,940	8,433,750	
<b>1.2) Design and Supervision</b>						<b>\$ 1,548,128</b>	<b>173,100,946</b>
SI-01-17 Design and Documentation of Roads	CREDIT	ICRR	Road Repairs and Maintenance	Design	\$ 276,235	31,087,500	
SI-02-17 Develop QCM - John McFarlane	CREDIT	ICRR	Road Repairs and Maintenance	Design	\$ 85,232	10,717,434	
SI-04-17 Supervisor for Tanna Works	CREDIT	ICRR	Road Repairs and Maintenance	Supervision	\$ 87,213	7,575,460	
SI-05-18 Supervision of 2018-2019 Works	CREDIT	ICRR	Road Repairs and Maintenance	Supervision	\$ 408,681	46,501,000	
SI-06-19 Design and Documentation of Bridges	CREDIT	ICRR	Road Repairs and Maintenance	Design	\$ 496,666	55,215,532	
<b>PART 2: Schools Reconstruction and Improvement</b>						<b>\$ 1,582,518</b>	<b>403,176,544</b>
<b>Physical Works</b>						<b>\$ 1,397,398</b>	<b>209,602,094</b>
W2-01-18 Package 1: Epi - Epi and Epi	CREDIT	ICRR	Building Repairs and Maintenance	Works	\$ 814,632	71,421,521	
W2-02-18 Package 2: Nguru, Peli and Ernia	CREDIT	ICRR	Building Repairs and Maintenance	Works	\$ 296,428	33,993,000	
W2-03-18 Package 3: Epi - Epi, Marau and Kama	CREDIT	ICRR	Building Repairs and Maintenance	Works	\$ 384,249	44,280,000	
W2-04-18 Package 4: Epi - Bokofo, Lomra, Akma, Amfisu	CREDIT	ICRR	Building Repairs and Maintenance	Works	\$ 373,398	44,984,116	
W2-05-18 Package 5: Tonga - Malawa, Epi, Mottage, Itakama and Marawase	GRANT	ICRR	Building Repairs and Maintenance	Works	\$ 494,582	55,660,237	
<b>2.1) Design &amp; Supervision</b>						<b>\$ 1,185,129</b>	<b>154,574,450</b>
SI-02-17 Asbestos Specialist	GRANT	ICRR	Consultant Fees	Consultants	\$ 65,500	7,381,500	
SI-03-17 Land Registration Officer	GRANT	ICRR	Consultant Fees	Consultants	\$ 29,154	3,280,350	
SI-04-17 Safeguard Specialist	GRANT	ICRR	Consultant Fees	Consultants	\$ 61,329	6,902,000	
SI-05-17 Survey and Documentation of School Buildings	CREDIT	ICRR	Consultant Fees	Consultants	\$ 335,359	35,480,000	
SI-05-18 Supervision of 2018-2019 Works	CREDIT	ICRR	Consultant Fees	Consultants	\$ 733,702	80,320,000	
<b>PART 3: Public Buildings Reconstruction and Improvement</b>						<b>\$ 1,480,401</b>	<b>205,893,744</b>
<b>Physical Works</b>						<b>\$ 1,188,269</b>	<b>128,106,170</b>
W3-01-18 Package 1: Public Buildings - Catering Building	CREDIT	ICRR	Maintenance Contract	Works	\$ 42,051	4,732,413	
W3-02-18 Package 2: Public Buildings in Port Vila	CREDIT	ICRR	Maintenance Contract	Works	\$ 726,870	80,676,530	
W3-03-18 Package 3: Public Buildings - Merico and MPU Building	CREDIT	ICRR	Maintenance Contract	Works	\$ 379,343	42,693,227	
<b>3.1) Design &amp; Supervision</b>						<b>\$ 692,137</b>	<b>77,695,125</b>
SI-01-18 Survey and Documentation of Public Buildings	CREDIT	ICRR	Maintenance Contract	Supervision	\$ 335,286	37,733,125	
SI-02-18 Supervision of Public Building Works	CREDIT	ICRR	Maintenance Contract	Supervision	\$ 356,851	40,160,000	
<b>PART 4: Project Implementation &amp; Technical Support</b>						<b>\$ 1,206,484</b>	<b>300,857,890</b>
<b>4.1 Project Implementation</b>						<b>\$ 1,206,484</b>	<b>300,857,890</b>
<b>4.1.1) Project Staff / i</b>						<b>\$ 2,066,609</b>	<b>333,862,180</b>
SI-01-18 Project Manager/Coordinator	GRANT	ICRR	Consultant Fees	Consultants	\$ 1,047,014	117,831,000	
SI-02-17 Safeguard Specialist	GRANT	ICRR	Consultant Fees	Consultants	\$ 571,062	64,267,250	
SI-03-17 Procurement Specialist - Emma Leau	GRANT	ICRR	Consultant Fees	Consultants	\$ 30,344	3,414,886	
SI-04-17 Project Accountant	GRANT	ICRR	Consultant Fees	Consultants	\$ 173,302	13,876,460	
SI-05-17 Monitoring and Evaluation Specialist	GRANT	ICRR	Consultant Fees	Consultants	\$ 184,641	20,779,500	
SI-06-17 Procurement Specialist - Ian Goronke	GRANT	ICRR	Consultant Fees	Consultants	\$ 484,956	54,576,800	
SI-07-18 Contracts Manager	GRANT	ICRR	Consultant Fees	Consultants	\$ 389,099	43,789,200	
SI-08-18 Procurement Officer	GRANT	ICRR	Consultant Fees	Consultants	\$ 43,580	4,934,458	
SI-09-18 Junior Accountant	GRANT	ICRR	Consultant Fees	Consultants	\$ 19,006	4,396,433	
Designer	GRANT	ICRR	Consultant Fees	Consultants	\$ 33,212	5,763,450	
Unpaid Consultant Fees					\$ -	-	
Civil Engineer					\$ 2,333	262,533	
<b>4.2) Technical Support and Capacity Building</b>						<b>\$ 288,876</b>	<b>26,995,660</b>
<b>4.2.1) Sustainable Maintenance</b>							
John McFarlane - South Santo Road	GRANT	ICRR	Consultant Fees	Consultants	\$ 55,887	6,289,500	
<b>4.2.2) Training &amp; Capacity Building</b>							
NDFP - Peter Nigel Fisher	GRANT	ICRR	Consultant Fees	Consultants	\$ 383,088	20,706,000	

## 4.9 Safeguards

Seven activities screening forms were finalised, some a second time due to design changes, over this quarter with an additional two prepared in draft. In addition, a total of seven 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.

During the MTR, it was agreed that a more codified approach could be used for ESMPs seeing as they are now formally included as supplementary specifications and payments against safeguards deliverables contained in contracts. Therefore it was agreed that through increased codification and standardising of safeguards requirements in the ESMP, then the corresponding CESMP could be reduced to those variable elements that depend on site conditions, community agreements and preferences as well as Contractor's approach. This will greatly assist contractors to clearly identify safeguards requirements and respond to them appropriately.

Seven Contractor ESMPs (CESMPs) were reviewed, completed and approved by the SS over this quarter. Observation of the quality of these confirmed that a majority (5 of 7) required some amendments with a significant minority (3 of 7) being deficient, meaning the ESMP requirements were not adequately reflected in the CESMP produced by the Contractor. Therefore, the simplification of the CESMP to key site-specific variables (as described above) will certainly assist Contractors to focus on their key safeguards responsibilities particularly for those that struggle with compiling suitable documents, even using the templates provided.

In terms of capacity building, the SS gave presentations on VIRIP safeguards systems at all pre-tender meetings for schools, public buildings and roads packages. The SS (usually) or the Safeguards Officer (Schools) continues to attend all initial pre-start meetings to set expectations with Contractors. The SS met again with supervising consultants to reinforce requirements for effective supervision of safeguards. Safeguards Officer (Schools) is working closely with the Supervision Consultants on safeguards management at schools sites and this is showing positive results.

The Codes of Environment Practice for all PWD works in water (i.e. river crossings), finalised at a workshop at the end of the last quarter, have not been advanced by the Department of the Environment (DEPC). This is despite EIA regulations now being gazetted to allow for their approval. This is disappointing and Director PWD intends to send a letter to the DEPC Director requesting that the COEP be piloted under relevant VIRIP works contracts given the higher level of contractual controls and supervision under VIRIP.

Asbestos removal (soffits) as part of local training took place at Public Prosecutor's Office using Dale Austen, the contracted NZ expert. This went well and it is notable that the exercise used scaffolding set up by the Contractor for the demolition and building works. This required careful timing and coordination between the various parties to avoid increased costs to the project for scaffolding hire.

Community meetings take place regularly on all active contracts. An internal audit identified the need for follow up with representatives should they not attend meetings. This is now the norm for all supervision consultants.

The internal audit confirms the benefits of using local consultants to assist with safeguards management however capacity building is still required. Part of any adaptation of ESMP and CESMP templates is to allow safeguards management to be more easily implemented by all parties, including supervisors.

## 4.10 Procurement

### **Procurement Strategy**

VIRIP conducted a market survey of 20 Vanuatu based construction companies to better understand their capability and capacity. VIRIP has now clarified how procurement will be conducted for the life of VIRIP through understanding the level of demand and likely cost and the construction industry capability.

### **Current Procurement**

During the period the services of the Procurement Specialist was terminated for convenience. The Project Manager/Coordinator has assumed the responsibilities of the Procurement Specialist in the interim, until a permanent solution is determined. During the period the following items of procurement were either started, underway or completed:

- S1-06-19 Design and Documentation of Bridges
- W1-05-18 Pentecost - Improvement to South Pentecost Road
- W1-07-18 Tongoa - Road Improvements
- W1-18-19 Erromango Dillons Bay Road Improvements (10 x IBC)
- W2-09-19 Package 9: Efate - Kawenu
- W2-11-19 Package 11: Aneityum - Teruja High School
- W3-04-19 Package 4: Ministry of Health Buildings - Erromango
- S4-11-19 NDRF Team Coordinator
- S4-12-19 NDRF Recovery Specialist

### **Future Procurement**

During the next quarter a high concentration of procurement will be started:

- W1-16-19 Malekula - Road Improvements
- W2-07-18 Package 7: Paama - Vutekai, Lire, Lehili and Luvil
- W2-10-19 Package 10: Malekula - Lonvat Junior High School
- W2-12-19 Package 12: Tongoa - Nabangasale High School
- W2-13-19 Package 13: Ambrym - South East Endu-Leleut, Roromai, Paamal and Senai
- W2-14-19 Package 14: Ambrym - North Tobol, Linbul, Ranon and Fania
- W2-15-19 Package 15: Ambrym North - Magham, Olal, Megamone and Fonteng
- W3-05-19 Package 5: Ministry of Health Buildings Pentecost and Maewo
- W3-08-20 Package 8: Penama Headquarters
- S4-13-19 DRF International Consultant

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.

All VIRIP procurement is being conducted through VIRIP PST staff. Evaluation Panels for the Roads, Schools and Public Buildings involve the relevant government departments directly in procurement decision making. Departmental staff are supplemented by local consultants in 2 of the 3 panels to strengthen technical (engineering) expertise and to assist in achieving a quorum; this will continue whilst GoV departments working with VIRIP maintain their current organisation structures. The Procurement Officer role continues to be expanded, as her capabilities improve.

## 5. Risk Management and Key Lessons Learned

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

### Strategic

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

### Technical

Key Lessons	Strategies to Replicate and/or Mitigate
Need to find productive ways to work with PWD in order to expedite procurement.	Developing a standing Evaluation Panel for Roads.
Key safeguards framework documents don't reflect country and project specific needs – for example the system of land ownership and compensation is already in place for infrastructure development.	Rewrite and restructure documents to more accurately reflect and set out mechanisms for safeguards and compensation. The safeguards framework has been updated as part of the MTR process.
Asbestos sampling is a critical component of any infrastructure based work in Vanuatu.	As outlined in the EMSF, due to wide range of building types and ages, sampling to take place at all selected schools and public buildings.
Important to ensure program targets, and indicators (even when designed previously) need to always align to relevant GoV policies and strategies.	M&E Framework is being updated based on MTR recommendations and a potential shift in scope of program activities.

### Operational

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

## 6. Monitoring and Evaluation

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

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

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

## 7. Conclusions

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

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

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

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

A core focus during the quarter has been preparations for the MTR. Work has involved an internal review, consultations with key stakeholders and a review of systems and process, including an update the results framework. Many of the issues raised in this QPR and the MTR report will be discussed during the MTR period in August 2019.

# Appendix 1: Works Program

190930 Works Programme - Implementation and Procurement + Baseline														
ID	Task Name	Duration	Start	Finish	Cost	% Complete	% Work Complete	Notes	2017	2018	2019	2020	2021	2022
1	<b>Vanuatu Infrastructure Reconstruction and Improvement Project</b>	1765.42 days?	Fri 1/07/16	Fri 20/01/23	\$52,724,657	53%	0%							
2	<b>Part 1: Road Reconstruction and Improvement ALLOCATED</b>	1563.1 days	Mon 3/04/17	Fri 20/01/23	\$24,716,383	62%	0%							
3	<b>Services</b>	891.06 days	Mon 1/05/17	Thu 20/08/20	\$1,601,843	76%	0%							
4	S1-01-17 Design and Documentation of Roads	697 days	Mon 2/10/17	Mon 4/05/20	\$296,071	75%	0%	Nearly complete, awaiting designs for North and Central Pentecost, Epi and South Malekula						
5	Consultant selection	199.71 days	Mon 2/10/17	Thu 28/06/18	\$0	100%	100%							
12	Design and Documentation	537 days	Mon 7/05/18	Mon 4/05/20	\$296,071	70%	0%							
13	Field Inspections, Design, Specifications and Prepare Bidding Documents	537 days	Mon 7/05/18	Mon 4/05/20	\$296,071	70%	73%							
14	S1-02-17 Develop QCM	370.71 days	Fri 1/09/17	Thu 17/01/19	\$102,071	100%	100%	Finished						
23	S1-03-17 Pavement Specialist	77 days	Mon 1/05/17	Fri 11/08/17	\$2,340	100%	100%	Finished						
30	S1-04-17 Supervisor for Tanna Works	378.65 days	Thu 1/06/17	Fri 26/10/18	\$58,305	100%	100%	Finished						
39	S1-05-18 Supervision of 2018-2019 Works	703.19 days	Wed 10/01/18	Thu 20/08/20	\$652,390	61%	0%	Ongoing and performing well. Will require variation						
40	Consultant selection	116.55 days	Wed 10/01/18	Fri 15/06/18	\$0	100%	100%							
47	Supervision Services	537 days	Thu 23/08/18	Thu 20/08/20	\$652,390	55%	0%							
48	Supervision of Activities under Part 1 AWP 2018-2019	537 days	Thu 23/08/18	Thu 20/08/20	\$652,390	55%	69%							
49	S1-06-19 Design and Documentation of Bridges	280 days	Fri 1/03/19	Mon 16/03/20	\$490,666	56%	0%	Signed 16 Sep 19. Cardno working with their staff and contractors to get them lined up for the site visits. Start date for the site visits 21 October. Start up meeting on 30 Sep 19 at 10am.						
50	Consultant selection	146 days	Fri 1/03/19	Mon 16/09/19	\$0	100%	100%							
57	Design Services	134 days	Mon 16/09/19	Mon 16/03/20	\$490,666	8%	0%							
58	Design Services	134 days	Mon 16/09/19	Mon 16/03/20	\$490,666	8%	5%							
59	<b>2017 Annual Works Plan</b>	963.29 days	Mon 3/04/17	Thu 29/10/20	\$3,195,657	85%	0%							
60	W1-01-17 Tanna - King Cross Road Improvement - FRC	619.16 days	Mon 15/05/17	Fri 30/08/19	\$965,320	100%	100%	Finished						
75	W1-02-17 Tanna - King Cross Road Improvement - Bitumen	963.29 days	Mon 3/04/17	Thu 29/10/20	\$2,067,297	67%	0%	Finish Isangel Loop and Hospital Road in Oct 19. Opening Ceremony. Same time as Imafen						
76	Drafting of Documentation	46 days	Mon 3/04/17	Fri 2/06/17	\$0	100%	100%							
79	Bidding/Contract Award	124 days	Fri 2/06/17	Fri 17/11/17	\$0	100%	100%							
85	<b>Construction</b>	525 days	Fri 17/11/17	Wed 30/10/19	\$2,067,297	96%	0%							
86	Contractor mobilises - NCB	10.03 days	Fri 17/11/17	Thu 30/11/17	\$0	100%	100%							
87	Contract implementation - NCB	525 days	Fri 17/11/17	Wed 30/10/19	\$2,067,297	96%	90%							
88	Supervision	525 days	Fri 17/11/17	Wed 30/10/19	\$0	96%	0%							
90	Defects Liability Period	269 days	Wed 30/10/19	Thu 29/10/20	\$0	0%	0%							



