

Government of Nepal
Ministry of Federal Affairs and Local Development **Central Level**
Project Implementation Unit (CLPIU)
Earthquake Emergency Assistance Project (EEAP)
Kupandol, Lalitpur, Nepal

Rehabilitation and Reconstruction of District Roads

Project Number: 49215-001

ADB Loan No.: 3260 NEP and SDC TA

Quarterly Progress Report

January – March

2018

1st Quarter 2018

CENTRAL IMPLEMENTATION SUPPORT CONSULTANT (CISC)



AF-Itco Ltd., Switzerland A member of the AF-Group

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Central Implementation Support Consultant

Ekantakuna, Lalitpur/Nepa

Abbreviations

ADB	=	Asian Development Bank
APs	=	Affected persons
CDC	=	Compensation Determination Committee
CISC	=	Central Implementation Support Consultant
CLPIU	=	Central-Level Project Implementation Unit
DISC	=	District Implementation Support Consultant
DOLIDAR	=	Department of Local Infrastructure Development and Agricultural Roads
DOR	=	Department of Roads
DPR	=	Detail Project Report
DSCs	=	Design and Supervision Consultants
DTO	=	District Technical Office
EA	=	Executing Agency
EARF	=	Environmental Assessment and Review Framework
EEAP	=	Earthquake Emergency Assistance Project
EMP	=	Environmental Management Plan
IA	=	Implementing Agency
GDP	=	Gross Domestic Product
GESI	=	Gender and Social Inclusion
GON	=	Government of Nepal
ICB	=	International Competitive Bidding
IEE	=	Initial Environmental Examination
LFIS	=	Loan Financial Information System
MOE	=	Ministry of Education
MOF	=	Ministry of Finance
MOFALD	=	Ministry of Federal Affairs and Local Development
MTR	=	Mid-Term Review
NCB	=	National Competitive Bidding
NRA	=	National Reconstruction Authority
NGOs	=	Nongovernment Organizations
PAM	=	Project Administration Manual
PIU	=	Project Implementation Unit
PMU	=	Project Management Unit
QAP	=	Quality Assurance Plan
RP	=	Resettlement Plan
R&R	=	Recovery and Reconstruction
SBD	=	Standard Bidding Documents
SDC	=	Swiss Agency for Development and Cooperation
TA	=	Technical Assistance
TOR	=	Terms of Reference
USAID	=	United States Agency for International Development

EXECUTIVE SUMMARY

The Earthquake Emergency Assistance Project (EEAP) supports the Government of Nepal to accelerate recovery and reconstruction works following the devastating earthquake of 25 April 2015 and the major aftershock of 12 May 2015. The project mainly support the rebuilding and rehabilitation of the infrastructures with strengthened and resilience to future disasters. The project envisaged during the project approval period, has four outputs (or components) and covers 12 districts out of the 14 mostly affected districts. The **Central-Level Project Implementation Unit (CLPIU) under the Ministry of Federal Affairs and Local Development (MOFALD)** is responsible for the implementation of the component for **rehabilitation and reconstruction of district roads**, one of the four components of the **Earthquake Emergency Assistance Project (EEAP)** financed by the Asian Development Bank (ADB).

ADB approved Loan No 3260- NEP for the financing of the EEAP on 24 June 2015. The loan become subsequently effective on 10 September 2015. The project cost was revised during the MTR mission (conducted between 22 August and 13 October 2017) from US \$ 243.4 million to US \$ 256.22 million, inclusive of taxes and duties and financing charges on the loan during construction. Of this total cost, US \$200 million equivalent is financed by ADB and US \$ 10 million equivalent is financed on grant basis by USAID. The Government of Nepal provides US \$ 46.2 million equivalent to cover (i) land acquisition and resettlement costs, (ii) taxes and duties and (iii). Incremental recurrent costs. The base cost of the component for rehabilitation and reconstruction of district roads is estimated US \$ 63.76 million, representing 26% of the EEAP base cost. A Technical Assistance (TA) Grant from the Swiss Agency for Development and Cooperation (SDC) finances consulting services for design and supervision of roads of 12 districts to complements the ADB financing of this component. The complementary SDC Grant CHF 3.9 million (US \$ 3.817 million) was approved on 25th April 2016.

The MTR revised project implementation schedule with extension of 9 months in the original implementation period, 23 June 2019 is the revised project completion date. The loan closing date is 31 December 2019.

The originally planned output of the component 2 i.e. rehabilitation and reconstruction of district roads was to rehabilitate and reconstruct 450 km of rural roads. A total of 25 potential road subprojects (478.1 km) were identified for rehabilitation and reconstruction; subsequently DPRs were prepared and approved by MoFALD, CLPIU for all those roads. However, remaining within the currently allocated project funds for district roads, the number of road implementation were subsequently reduced to 17 subprojects (301.53 km). Rehabilitation and reconstruction of all 17 road subprojects (301.53 km) has been under implementation across 12 EEAP project districts.

The bid documents for civil work have been prepared using the Standard Bidding Document for the Procurement of Works-Small Contracts (SBD Works-Small) issued by the ADB. The bid documents for 23 NCB contracts (2 NCB for vehicle procurement & 21 NCB civil works for road works) have been prepared and approved. The contract agreement of all 23 NCB contract (2 for vehicle procurement & 21 for civil work) packages were completed.

The contract awards achieved of US \$ 39.02 million against the target of US \$ 41.00 million, and the disbursement achieved US \$ 12.08 million against the target of US \$ 16.77 by end of Q1, 2018.

The implementation progress as of 31 March 2018 stood at 39.7 % with the revised implementation period of 69 % (Loan signing 24 June 2015, and project completion date of 23 June 2019). The average achievement of NCB civil contract for road works has about 30.8 % against the revised target of 54.5 %.

In accordance with EEAP's Environment Assessment and Review Framework and Resettlement Framework, IEE and Resettlement plans have been prepared. IEE report of 14 road subprojects have been approved by GoN, NRA and remaining 3 IEE report (prepared under RRRSDP) have been approved from MoFALD. The implementation of EMP have been started in field. All 17 Resettlement Plans (RP) including 1 DDR have been approved from NRA and endorsed by ADB. The compensation payment and deed transfer activities are in progress and NRs 168.89 million (16.67 %) have already been distributed to APs. The deed transfer of 425 HHs (10.83 %) have been accomplished. GESI APs of all 17 road subprojects have approved and endorsed by NRA/MoFALD. A separate GESI plan for staff orientation and implementation guidelines have been prepared.

I. PREAMBLE

1. This progress report has been prepared by the **Central-Level Project Implementation Unit of the Ministry of Federal Affairs and Local Development (MOFALD)** which is responsible for the implementation of the component for **rehabilitation and reconstruction of district roads**, one of the four components of the **Earthquake Emergency Assistance Project (EEAP)** financed by the Asian Development Bank (ADB). A Technical Assistance (TA) Grant from the Swiss Agency for Development and Cooperation (SDC) finances consulting services for design and supervision of roads of 12 districts to complements the ADB financing of this component.
2. The reports introduction describes the overall scope, implementation arrangements, the overall project cost and financing arrangements. The subsequent sections of the report focus on the rehabilitation and reconstruction of district roads.

II. INTRODUCTION

3. On 24 June 2015, the Asian Development Bank (ADB) approved Loan No. 3260 - NEP (\$200 million) for the financing of the Earthquake Emergency Assistance Project (EEAP). The Loan became subsequently effective on 10 September 2015. The complementary SDC Grant of CHF 4.48 million (US \$ 4.404 million) (for DPR CHF 0.54 & road planning, monitoring & supervision CHF 3.94 million) was approved on 25th April 2016. The United State Agency for International Development (USAID) is providing co-financing for school rebuilding through a US \$ 10 million Grant.
4. The objective of the project is to support the Government of Nepal to accelerate recovery and reconstruction of critical infrastructure following the devastating earthquake of 25 April 2015 and the major aftershock of 12 May 2015. The project will support the rebuilding and rehabilitation of the infrastructure with strengthened resilience to future disasters. The project as envisaged at project approval has four outputs (or components) covering 12 districts out of the 14 mostly affected districts.¹
 - (i) **Output 1: Schools are rebuilt and upgraded.** At least 715 schools will be rebuilt or retrofitted in line with school reconstruction plans to disaster-resilient standards and equipped with water and sanitation facilities, including sex-disaggregated toilets². About five will be model schools built with information and communication technology equipment, science laboratories, and improved learning spaces.
 - (ii) **Output 2: Roads and bridges are rehabilitated and/or reconstructed.** About 135 km of strategic roads and about 450 km of rural roads damaged by the earthquake and landslides will be rehabilitated. Project roads and bridges will have built back better features for road safety and climate resilience. Construction and maintenance equipment will also be procured.
 - (iii) **Output 3: District-level government facilities constructed and/or rebuilt.** About 300 district-level government buildings will be rebuilt or retrofitted to disaster resilient standards with basic utilities, and furnished. Transitional district-level government offices will also be established to enable services to continue throughout the reconstruction period.
 - (iv) **Output 4: Disaster preparedness and management capacities strengthened.** All outputs are assured to be disaster risk resilient. Engineering divisions of all implementing agencies will be strengthened.
5. At the time of project approval, it was envisaged that the project would be implemented over a three year period. However, this turned out not to be feasible and during the March-April 2017 review mission, an extension of the implementation period by one year was agreed. During the Mid-Term Review (MTR) conducted between 22 August and 13 October 2017, it was agreed

¹ The districts Solukhumbu, Okhaldunga, Ramechhap, Dolakha, Kavre, Sindhuli, Kathmandu, Lalitpur, Bhaktapur, Lamjung, Gorkha and Chitwan.

² Total number of schools was increased to at least 715 schools following the USAID co-financing.

to reduce the extension to 9 months in accordance with ADB's Disaster and Emergency Assistance Policy. The revised overall project implementation schedule agreed during the MTR is shown in table 1. As per agreed in MTR, 23 June 2019 is to be considered as the revised project completion date, corresponding to a 9-month extension of the implementation period.

6. The map of Nepal showing the project district and district roads for rehabilitation and reconstruction in EEAP.

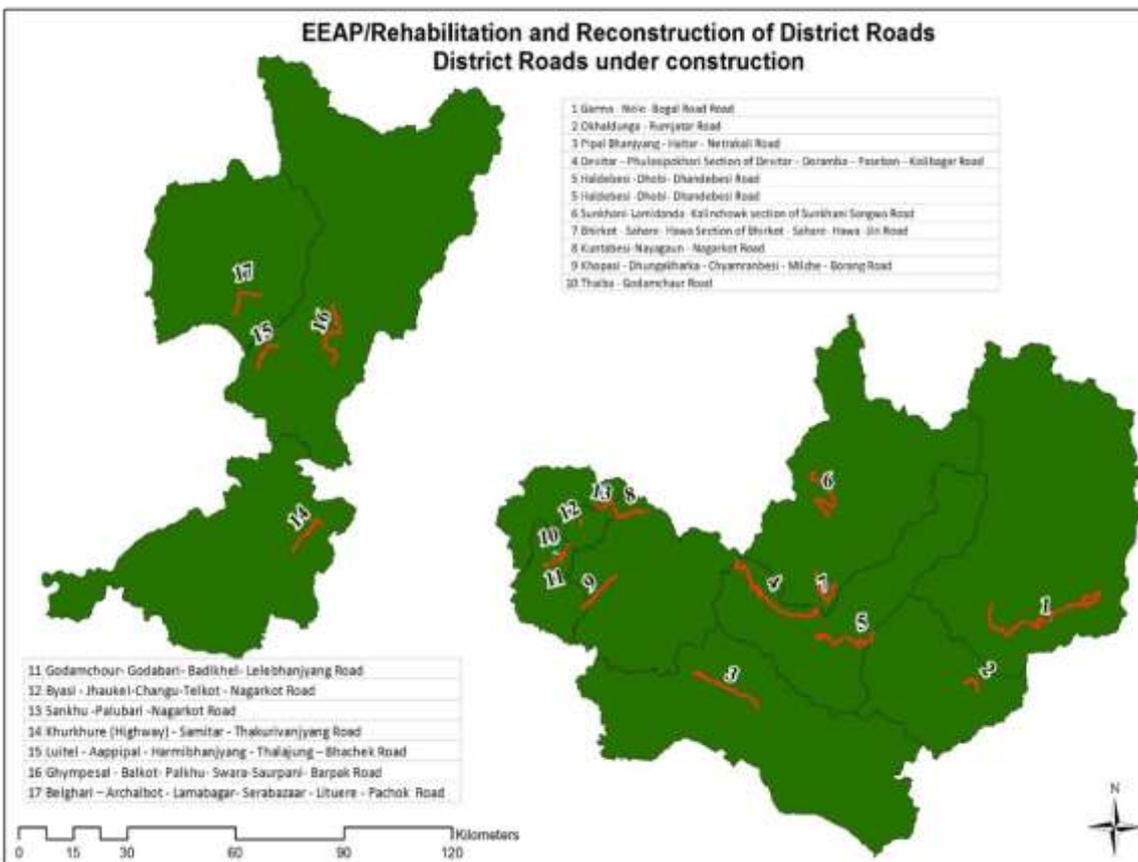
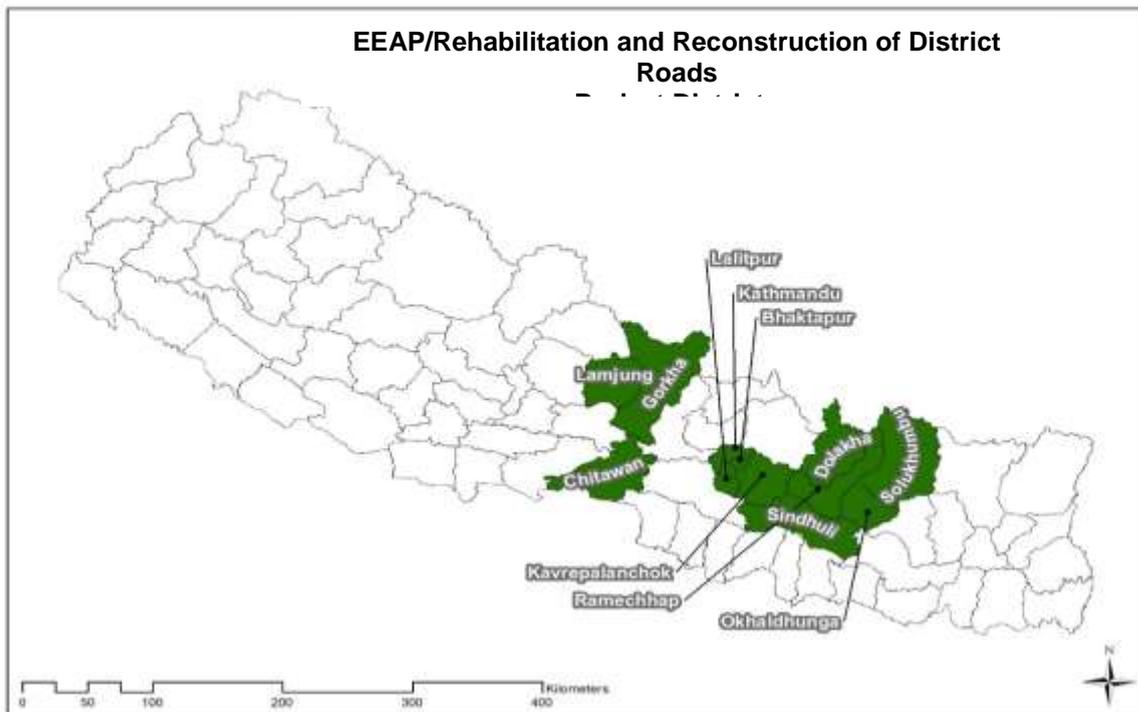


Table 1: Revised Overall Project Implementation Schedule

Outputs/ Activities			2015		2016				2017				2018				2019			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 1: Schools Rebuilt and Upgraded																				
Activity 1.1	Establishing CLPIU and Consultant Recruitment	Planned																		
		Actual																		
Activity 1.2	Selection of Type Designs	Planned																		
		Actual																		
Activity 1.3	Design and Bidding Documents Preparation	Planned																		
		Actual																		
Activity 1.4	Procurement of Civil Works Contracts	Planned																		
		Actual																		
Activity 1.5	Construction	Planned																		
		Actual																		
Activity 1.6	Implementation of GESI Action Plan Related Activities	Planned																		
		Actual																		
Output 2A - Strategic Roads and Bridges Rehabilitated and/or Reconstructed																				
Activity 2A.1	Consultant Recruitment	Planned																		
		Actual																		
Activity 2A.2	Design and Bidding Documents Preparation	Planned																		
		Actual																		
Activity 2A.3	Procurement of Civil Works Contracts	Planned																		
		Actual																		
Activity 2A.4	Construction	Planned																		
		Actual																		
Activity 2A.5	Implementation of Resettlement Plan and GESI Action Plan Related Activities	Planned																		
		Actual																		
Output 2B - District-level Roads and Bridges Rehabilitated and/or Reconstructed																				
Activity 2B.1	Establishing CLPIU and Consultant Recruitment	Planned																		
		Actual																		
Activity 2B.2	Design and Bidding Documents Preparation	Planned																		
		Actual																		
Activity 2B.3	Procurement of Civil Works Contracts	Planned																		
		Actual																		
Activity 2B.4	Construction	Planned																		
		Actual																		
Activity 2B.5	Implementation of Resettlement Plan and GESI Action Plan Related Activities	Planned																		
		Actual																		
Output 3 - District-level Government Facilities Constructed and/or Rebuilt																				
Activity 3.1	Establishing CLPIU and Consultant Recruitment	Planned																		
		Actual																		
Activity 3.2	Design and Bidding Documents Preparation	Planned																		
		Actual																		
Activity 3.3	Procurement of Civil Works Contracts	Planned																		
		Actual																		
Activity 3.4	Construction	Planned																		
		Actual																		
Output 4 - Disaster Preparedness and Management Capacities Strengthened																				
Activity 4.1	Technical Audits - School Rebuilding	Planned																		
		Actual																		
Activity 4.2	Training and Capacity Building of Technical Staff in	Planned																		
		Actual																		
B. Project Review/Administration																				
	Annual/Mid-term Review	Planned																		
		Actual																		
	Project Completion	Planned																		
		Actual																		

GESI = gender equity and social inclusion, IAs = implementing agencies, PIU = project implementation unit.

7. The National Reconstruction Authority (NRA) is the project's executing agency (EA). There are four implementing agencies (IAs) having the following responsibilities:

- (i) The Ministry of Education for schools (outputs 1 and 4)³
- (ii& iii) The Ministry of Federal Affairs and Local Development (MOFALD) and the Department of Roads of the Ministry of Physical Infrastructure Transport for rural roads and strategic roads, respectively (outputs 2 and 4).
- (iv) The Ministry of Urban Development for district headquarters buildings (outputs 3 & 4).

8. The IAs have established a Central-Level Project Implementation Unit (CLPIU) together with District-Level Project Implementation Units (DLPIUs).

9. The project cost was revised during the MTR from US \$ 243.4 million to US \$ 256.2 million (Table 2), inclusive of taxes and duties and financing charges on the loan during construction. Of this total cost, US \$ 200 million equivalent is financed by ADB and US \$ 10 million equivalent is financed on grant basis by USAID (Table 3). The Government of Nepal provides US \$ 46.2 million equivalent to cover (i) land acquisition and resettlement costs, (ii) taxes and duties and (iii). incremental recurrent costs.

Table 2: Revised Project Investment Plan⁴
(US \$ millions)

Item	Amount ^a
A. Base Cost	
1. Schools	105.3
2. Roads and bridges	99.8
3. District-level government facilities	37.3
4. Disaster preparedness and management capacities	4.4
Subtotal (A)	246.8
B. Contingencies	5.8
C. Financing Charges During Implementation	3.6
Total (A+B+C)	256.2

Source: Aide Memoire of Mid-Term Review Mission (22 August -13 October 2017)

Table 3: Revised Financing Plan⁵

Source	Amount (US \$ millions)	Share of Total (%)
Asian Development Bank	200.0	78.1
USAID	10.0	3.9
Government of Nepal (GON)	46.2	18.0
Total	256.2	100.0

Sources: Aide Memoire of MTR Mission

10. **The base cost of the component for rehabilitation and reconstruction of district roads** is estimated at US \$ 63.76 million, representing 26% of the EEAP base cost, see Table 4.

³ Output 4 includes consultancies to support all four implementing agencies; and outputs 1 to 3.

⁴ The complementary DSC grant from SDC of US \$ 3.817 million is not reflected in the table.

⁵ The complementary DSC grant from SDC of US \$ 3.817 million is not reflected in the table.

Table 4: Revised Detailed Cost Estimate⁶

(US \$ millions)

Items	Output 2 Rehabilitation/ Reconstruction of District Roads	Total Project Costs
A. Investment Costs		
1. Civil Works	48.75	211.66
2. Goods, Supplies and Equipment and Vehicles	1.35	
3. Environment and Social Mitigation (Resettlement)	12.59	14.89
4. Consulting Services and Capacity Building	1.07	9.30
5. Incremental Recurrent Costs		7.71
Subtotal (A)	63.76	246.71
B. Contingencies		
1. Physical Contingencies		3.38
2. Price Contingencies		2.50
Subtotal (B)		5.88
Total Project Cost (A+B)		252.59
Financial Charges during Implementation		3.63
Total Project Cost		256.22

Source: Aide Memoire of MTR Mission

III. UTILIZATION OF LOAN FUNDS

11. The allocation of ADB loan funds against the four loan categories under the reconstruction and rehabilitation of district roads agreed during the MTR is presented in Table 5.⁷ In the same table, the amounts committed (contracted) and disbursed against the loan categories by the end of the reporting period are presented.

Table 5: Allocation and Utilization of Loan Funds
(US \$ millions)

Category		Loan Funds allocated for Reconstruction & Rehabilitation of District Road ^a		Cumulative Amount committed at the end of the reporting period: 31 March 2018		Cumulative Amount disbursed at the end of the reporting period: 31 March 2018	
No	Items	(\$,000)	%	(\$,000)	(%)	(\$,000)	(%)
1	Civil Works	42,900	88	38,044	88.67	11,134.00	25.95
2.1	Goods, Supplies and Equipment ^a	900	100	277.62	30.85	421.99	46.88

⁶ The complementary DSC grant of US \$ 3.817 million is not reflected in the table.⁷ The loan categories for interest during construction and unallocated are not included

2.2	Vehicles	450	100	444,45	98.77	443.39	98.53
3	Consultancy Services and Capacity Development (firms)	480	100	-		-	
4	Individual Consultants	590	100	257.78	43.69	75.61	12.82
	Total (ADB Funds)	45,320		39,020.45	86.10	12,074.99	26.64
	Government of Nepal Fund	18,440	12	3,300	17.90	2,974.00	16.12
	Total	63,760		42,320.45	66.37	15,048.99	23.60

a: Source: Aide Memoire of the MTR mission (22 Aug. - 13 Oct. 2017).

IV. PROJECT PURPOSE

12. The components impact, outcomes and inputs/activities envisaged at the time of project approval are summarized in *Attachment 1*. At the time of project approval, the output of the component in the rehabilitation and reconstruction of 450 km considered for district roads rehabilitation and reconstruction. To meet the target of 450 km for district road rehabilitation at the time of project approval, 25 subprojects (listed in *Attachment 2*) were selected for detail design. However, based on the estimated cost of 25 districts road subprojects for which designs and estimate have been prepared so far, the target of 450 km will not be achievable. Within the currently allocated project funds for rehabilitation and reconstruction of district roads, it has been planned and agreed to construct 17 road subproject of 301.53 km of DRCN roads with the project funds allocated to the district roads. One road subproject Singati - Sorung (9 km section of Singati – Bigu -Thisang road) in Dolkha district was cancelled since the road section passes from Gauri Shankar conservation area, requiring the full EIA studies, which is beyond the scope of the project. As replacement of this road section, the district requested to carry out detail survey, design of Namdu-Jungu-Jhayanku road (10.25 km.) road section and CISC has conducted detail survey, & prepared DPR which is under process of approval by MoFALD/CLPIU.

13. Extreme seismic or weather event during construction couples with difficulties in implementation due to short working seasons, difficult access and low capacity of contractor, delay mobilization of labour and machinery by contractor were identified at the time of project approval as risks. It is still too early to assess whether these risks will affect the component's implementation.

14. Safeguards frameworks, specifically an environmental assessment and review framework (ERRF) and resettlement framework were prepared in accordance with ADB's Safeguards Policy Statement 2009. A separate Indigenous People Planning Framework is not required as the Project has not included subprojects that affect indigenous people. Initial environmental examinations and environmental management plans have to be prepared and implemented for subprojects consistent with EARF and are incorporated into bidding documents and contract documents to be implemented by contractors. Resettlement plan have prepared and implemented for subprojects consistent with the Resettlement Framework. The environmental and social impacts of the rehabilitation and reconstruction works under the identified road subprojects are more significant than envisaged at the time of project appraisal. In accordance with EEAP's Environment Assessment and Review Framework and the Resettlement Framework, Initial Environmental Examinations (IEEs) and Resettlement Plans (RPs) have to be prepared.

V. IMPLEMENTATION ARRANGEMENTS AND PROGRESS

15. The CLPIU is fully established with required staffing, see *Attachment 5*. The positions of Project Director, Deputy Project Director, two engineers, one account officer, one accountant position including computer operator and office assistants (10 more supporting staff) were filled. The technical support have been provided by SDC Nepal. The Central Implementation Support Consultant (CISC)⁸ financed by SDC has been fully placed with required human resources (TL, DTL, PMRM, MIS, Social Safeguard Advisor, Resettlement Advisor, Design/Environmental Engineer- 2 nos., Environment Specialist, RP Specialist and Accountant) and is supporting the MoFALD/CLPIU in technical and managerial aspects. The CISC experts in center and DISC team (District Team Leader, sub-engineer & social mobilizer) in 12 project districts continuous providing support with managerial, technical and social safeguard in planning; advise for effective project planning, implementation, contract management, supervise, monitoring, reporting and backstopping the ongoing work in project districts.

16. Out of planned 6 individual consultants (ICs), the CLPIU has procured 5 ICs (Design Engineer, FM Specialist, Procurement Specialist, Contract Management Specialist & Construction Supervision Engineer). 2 ICs (Design Engineer & Procurement specialist) have completed his/her assignment. However, 3 ICs (FM specialist, Contract Management Specialist & Construction Supervision Engineer) have been continue supporting to CLPIU. The recruitment process of 1 Individual Consultants (Transport Economists) has cancelled. MoFALD/CLPIU invited EOI from eligible consulting firms for Quality Assurance and Quality Control activities in 12 EEAP project districts on 18 Sept 2017 and also extended 15 days (31 October 2017). The Request for Proposal (RFP) has been submitted to AB and approved. The financial proposal has been submitted to ADB on 29 March 2018 for approval and under approval process.

17. At district level, Project Manager (DTO Chief) and DTO engineer have been engaged to plan and strengthen the implementation capacity of the district-level project implementation units (DLPIUs). The District Implementation Support Consultants (DISCs) team (Civil Engineer as team leader, sub-engineer, and social safeguard officer) financed by SDC for 12 project districts have been fully mobilized.

18. The procurement of goods and works, and recruitment of consulting services has been undertaken in accordance with the simplified and expedient procedures permitted under the ADB's Disaster Emergency Assistance Policy (2004), procurement Guidelines (2015, as amendment). The project's approach to procurement of works will be in line with Procurement Guidelines.

19. The project is classified as Effective Gender Mainstreaming (EGM), and an Implementation of Gender Equality and Social Inclusion (GESI) Action Plan" has been prepared and is presented in below. To ensure the effective implementation of the GESI Action Plan, the project has arranged GESI experts and social mobilizers will support GESI experts and social safeguards officer support in districts for planning and implementation of RP, EMP and GESI action plan.

20. The National Competitive Bidding (NCB) with a shortened bidding period of 15 days will be used. Bidding documents based on post-qualification with single-stage two-envelope procedure or single-stage one-envelope procedures are the preferred procurement options. The procedure of e-submission of bids in addition to submission of physical bids simultaneously. The prior and post review by ADB and corresponding thresholds have been established in the procurement plan. First NCB bidding documents and procedures for works and goods form each of the implementing agencies and executing agency will be prior reviewed by ADB irrespective of contract value.

21. **Implementation progress and issues** – The implementation progress by the end of the reporting period is summarized below and in Table 6.

⁸ The CISC has the role of Design and Supervision Consultant

Table 6: Implementation Progress and Issues

Current status – March 31, 2018	Major Issues/Remarks
Road Subproject Identification and DPR preparation	
<ul style="list-style-type: none"> The Detail Project Reports (DPRs) of 25 road (478.1 km) subproject have been completed and approved by ADB. Technical DPR related to section of Khopasi-Dhungkharka of (4.537 Km) of Kavre and Byasi-Jhoukhel-Changu-Telkot (4.617 km) section of Byasi-Nagarkot of Bhaktapur was prepared and approved. The DPR of Namdu-Jungu-Jhayanku road 10 km (0+00 to 10+000) section of Dolakha was also prepared and CISC submitted final report to CLPIU, & DLPIU Dolkha. 	<p>Singati -Sorung (9 km) section of Singati-Bigu-Thisang road of Dolakha was cancelled, since the road section passes from Gaurishankar conservation area</p>
Recruitment of consultants	
<ul style="list-style-type: none"> With SDC financing of the consulting services as TA providing support to MoFALD CLPIU in center and DLPIU in 12 project districts for planning and implementation. Central Implementation Support Consultant (CISC) fully established with TL, DTL, Planning Monitoring & Reporting Manger, MIS, RP specialist, Environment specialists, Social Safeguard Advisor, 2ICs numbers of Design and Environmental Engineer and accountant officer to support CLPIU at center. DISC team has been fully mobilized & supported to DLPIU in 12 project districts. Additional technical personal could be added in DSIC team on base of requirement of road work in project districts Out of planned 6 Individual Consultants (ICs) 5 ICs (Design Engineer, FM Specialist, Procurement Specialist, Contract Management Specialist & Construction Supervision Engineer) were appointed. Out of which, 2 ICs (Design Engineer & Procurement specialist) has completed his/her assignment. 3 ICs (FM specialist, Contract Management Specialist & Construction Supervision Engineer) have been continue supporting to CLPIU. MoFALD/CLPIU invited EOI on 18 Sept 2017 from interested and eligible consulting firms for Quality Assurance and Quality Control in 12 EEAP project district. 	<p>CLPIU made contract agreement with selected 2 ICs (CM specialist & Construction Supervision Engineer) on 17st December 2017</p>
Subproject identification , see Attachment 2 for the list of identified subprojects	
<ul style="list-style-type: none"> Total 25 district level road subproject (478.1 km) (target 450 km) has been identified for Rehabilitation and Reconstruction of District Roads in 12 project districts under EEAP With the assistance of CISC; the DPR, survey, design & estimate of 25 potential road subprojects (478.1 km) in 12 project districts have been completed. Out of approved 25 DPR of 478.1 km of district road; 17 road subprojects (301.53 km) has been under implement to utilizing the currently available fund. Proposed surface type of 17 road subproject under implementation in EEAP of 12 project districts: Gravel surface 139.5 km, Cobble surface 26.06 km, Cobble/stone soling surface maintenance 20.0 km, Asphalt concrete 10.05 km, DBST/Surface dressing 22.6 Km., Semi grout 8.2 km. and Premix of about 74.32 km 	<p>1 road subproject Singati - Sorung 9 km section of Singati-Bigu-Thisang road in Dolkha district is on cancelled since the road section passes from Gaurishankar conservation area</p>

<p>Preparation of RP and IEEs (see Attachment 3 for details)</p>	
<p><u>RP Planning Activities:</u></p> <ul style="list-style-type: none"> Resettlement Plans (RP) of 17 road subproject (Kathmandu-1, Lalitpur-2, Bhaktapur-1, Kavre-2, Ramechhap-2, Dolkha-2, Sindhuli-1, Gorkha-2, Lamjun-1, Chitwan-1, Okhaldhunga-1, & Solukhunbu-1,) including 1 DDR (Dolkha) have been prepared and submitted to CLPIU/NRA/ADB after incorporation of ADB comments and already approved. Project districts has published public notice for land acquisition and compensation distribution. 	
<p><u>IEE/EMP Panning Activities:</u></p> <ul style="list-style-type: none"> Initial Environmental Examination (IEE) report and EMP of all 17 road sub-projects (Kathamndu-1, Bhaktapur-1, lalitpur-2, Kavre-2, Ramechhap-2, Dolkha-2, Gorkha-2, Lamjung-1, Chitwan-1, Okhaldhunga-1, Sindhuli-1 & Solukhumbu-1) have been approved and duly endorsed by NRA/MoFALD and have been endorsed by ADB. Out of 17 IEE reports, 14 IEE reports have been approved from National Reconstruction Authority (NRA) and 3 IEE reports (Ramechhap-1, Okhaldhunga-1 & Sindhuli-1) have been updated due to variation in area of forest and / or number of trees in the field in comparison to approved IEE and resent to NRA for approval 	<p>The implementation of EMP has also been started in field. The EMP implementation related training has been conducted CLPIU, ADB, and CISC on 2th week of February 2018 in districts.</p>
<p>Design and bid document Preparation, see in Attachment 6</p>	
<ul style="list-style-type: none"> The bid documents for civil works were prepared using the standard Bidding Document for the Procurement of Works –Small Contracts (SBD Works-Small) issued by the ADB Detail survey, design and cost estimate of 25 nos. (478.1 km) road sub project have been completed. The bid document for 23 NCB contract (2 NCB for vehicle procurement & 21 NCB for civil work) prepared and approved by ADB. The agreement of 21 NCB civil contract packages have completed in 17 road subprojects. 	<p>17 road subproject (revised) under implementation progress</p> <p>3 IFB cancelled for civil contractor and re-IFB invited (Ramechhap-2 & Dolkha-1)</p>
<p>Procurement – works, see attachment 6 for details</p>	
<ul style="list-style-type: none"> IFB: Total 23 number of IFB have published, (2 NCB for vehicles procurement and 21 NCB for civil works in DRCN road). 21 NCB civil contract packages have already been procured (Kathmandu-1, Bhaktapur-1, Lalitpur-2, Kavre-2, Ramechhap-2, Dolkha-4, Gorkha-3, Chitwan-1, Lamjung-1, Sindhuli-2, and Okhaldhunga-1 & Solukhumbu-1). The bid document of 2 NCB (NCB/29 & 30 civil contract packages (Bhaktapur-1, Kavre-1) for road works has been approved by ADB but due to ADB financial constraint, the procurement of those 2 NCB was at a standstill. 	<p>NCB/03, Devitar- Phulasi Pokhari section of Devitar Doramba Pasheban Kolibagar road cancelled and re- invited NCB/21 package. NCB/26, Haldibesi-Dhobi-Dhandebasi road BER cancelled & Re-IFB (NCB/28) of the same road.</p> <p>NCB/23, Bhirkot-Sahare-Hawa-Jiri road, IFB cancelled and re-advertised NCB/27 of same road.</p>

<p>Civil Works in Rehabilitation and Reconstruction of Road work</p>	
<ul style="list-style-type: none"> • 17 road subproject (301.53 km) are under construction in 12 project district, out of approved DPR of 25 road sub project (478.1 km) . • All 21 NCB civil contract agreement with district (Kathmandu-1, Lalitpur-2, Bhaktapur-1, Kavre-2, Dolkha-4, Ramechhap-2, Gorkha-3, Lamjung-1, Chitwan-1, Sindhuli-2, Okhaldhunga-1 & Solukhumbu-1) in 12 project districts have been continuing the road works. • Average physical progress is about 39.7 % against the time elapsed of 67.51 % • The average achievement of NCB civil contract has about 30.8 % against the revised target of 54.5 %. • Out of 301.53 Km road under implementation: The widening/earth work excavation: 192.3 km; Gabion/Masonry wall construction of about 130 km; road side drain with cross drainage work of about 85 km; sub grade preparation of about 29 km; sub-base/Gravel work of about 16 km (Lalitpur, Bhktapur, Kavre) and base course with black top of about 1.2 km (Lalitpur) has been completed. • Physical progress of civil works under contracts during the reporting period was slow as the contractors were lately mobilized, poor contract performance, and insufficient technical personnel in construction site from contractors' side. 	<p>Delay in performing the construction activities in most of all contract packages in districts due to poor contract management and limited technical personal and worker from contractor side.</p> <p>Due to delays initiating and implementing of RP, IEE activities</p> <p>Approval pending for Tree cutting procedures</p>
<p>Procurement and Supply – Equipment/Vehicles, See Attachment 6 for details</p>	
<ul style="list-style-type: none"> • Procurement pan and modality included in the PAM is taken into consideration during DPR preparation. • Procured & supply of Computer and other Electronics Goods (22 Desktop, 19 Laptop, Photocopy Machine, Printer, Camera & Multimedia Projector) (2 shopping packages). • Procured and supply of office furniture and maintenance works (3 shopping packages) • Procured 15 kVA Diesel Generator (1 shopping package) • Procured & distributed 28 numbers of Motorcycles to project districts for monitoring and supervision of work (1 shopping package) • Procured and supply of 3 unit 4 WD SUV (JEEP) (NCB/17/2073/74 and 2 units 4 WD Double Cab pickup (NCB/18/2073/074) in total 5 units with NCB modality. • Plan to procure Electronics Goods & Equipment in Q1/2018 (estimated \$0.015) • Plan to Procure Motorcycle in Q2/2018 (Estimated \$0.030) 	<p>Shopping modality</p>

Implementation of EMPs and RPs –See Attachment 3 for details	
<p>Implementation of EMPs:</p> <ul style="list-style-type: none"> • Forest clearance process has been initiated in road sub-projects as per “Working Procedure to Use National Forest Area for National Priority projects 2074 BS”; of which forest clearance in Khopasi-Dhungkharka road was not carried forward by DFO, Kavre (no tree loss) • Out of 17 road subprojects, 13 road subproject need forest clearance. Forest clearance process has been initiated for all 13 road subprojects. • Tree cutting plan of Kathmandu has been forwarded to Ministry of Forest and Soil COnservation and one of Gorkha (Ghyampesal-Barpak) is in process. • Tree cutting plan of 8 road subprojects (Gorkha-2, Lamjung-1, Chitwan-1, Ramechhap-1 of Haldibesi, Dolkha-2 and Lalitpur-1) have been returned by DoF. The comments from DoF are being incorporated. • Spoil Management: 878,952 m³ (62.53%) of soil has been managed and 854.1 m³ of toe wall constructed to retain the soil in valley side of road; out of 1,671,453.54 m³ of spoil generated. • Protection against landslides: 2,380 m³ of retaining wall constructed to protect landslide (Kavre, Dolkha, Okhaldhunga, Solukhubu) • Occupational Health and Safety: Labours are insured, safety gears provided are partially used, sanitation at campsite maintained satisfactorily. • Grievances: Out of 993 grievances registered, 674 grievances has been solved and 319 grievances are under process. Majority of grievances are related to missing plots, mismatch in name of APs and area of affected land. 	<p>Most of IEE, EMP reports and activities has been approved, the implementation of EMP has also been started in field.</p> <p>No needs to forest clearance in 4 road subproject (Lalitpur-1, Kavre-1, Bhaktapur-1 & Solukhumbu-1)</p> <p>Compensatory plantation: As per EMP plan, total of 97,454 saplings needs to be planted in 13 subprojects, but no progress so far.</p>
<p>Implementation of RPs:</p> <ul style="list-style-type: none"> • Compensation distribution has been in progress. NRs 168.886 million (16.67%) out of target NRs 1,013.26 million has been distributed in Kathmandu-1, Bhaktapur-1, Lalitpur-2, Kavre-2, Okhaldhunga-1 & Solukhumbu-1 • The deed transfer process has also been in progress. Out of planned 3,923 HHs; 425 HHs (10.83%) deed transfer has been transferred • The compensation payment activities has been initiated in 8 road subprojects (Kathmandu-1, Bhaktapur-1, Lalitpur-2, Kavre-2, Okahadhunga-1 & SOLukhumbu-1) • NRs 126.91 million has been sanctioned by GoN for 12 EEAP project districts and additional NRs 250 million has been requested to GON for FY 2074/075 • CDC meeting has been conducted in 15 road subproject and under process of remaining 2 road subprojects • Pre-CDC meeting conducted in Lamjung (Belghari-Archalbot-Lamabagar-Serabazar) and Dolkha (Bhirkot-Sahare-Hawa road) • Minor error on cadastral survey in sub project site caused delay in deed transfer and compensation distribution process • Due to in sufficient cadastral surveyor in district survey office, the district team suffered to accelerate the deed transfer work • Ramechhap district has no progress in compensation and deed transfer since last month, deed transfer for 124 plots halted at DSCO/DLRO 	<p>Slow process in implementation of approved RP (e.g. compensation payment to APs and Deed transfer)</p>

GESI Action Plan , See Attachment 4 for details	
<ul style="list-style-type: none"> GESI-AP implementation and orientation in subproject level have been completed in 10 subprojects out of 17 road projects of 12 project district. All together 734 participated (Male-452, Female-282) in GESI orientation program at subproject level. The participants were from different professional background like contractors, project team, labour, businessman, local leader and other stakeholder. Conducted orientation to SSO as GESI focal person of the district team. Contractors and project staffs are oriented and facilitated. Similarly, public consultations and discussion with local communities have been organized. Completion and implementation of GESA-AP: In 7 subprojects (Kathmandu, Bhaktapur, Lalitpur, Kavre, Okhaldhunga, Solukhumbu & Ramechhap) GESI-AP has been implemented. GESI AP plan has been prepared for sensitizing the issues like provision of CLS, awareness of STI, human trafficking and adherence through the awareness campaign with contractors. 6.5 % of women were recorded in employment in construction of road works. Women will be increased during bio-engineering work 	<p>GESI Implementation guideline has prepared and was approved with coordination of ADB and CLPIU</p> <p>Remaining 7 GESI-APs are planned to complete till July 2018 in all subprojects. Though, conditions and assumptions will be applied.</p>
Other Trainings	
<ul style="list-style-type: none"> Project management conducted MS project software training to CLPIU, CISC engineer (3 nos.) on 14 to 17 March 2017 in Nepal Administrative Staff College (NASC). CISC with coordination of Research & Training Unit IOE Pulchowk campus conducted Training on Quality control & material testing in road for engineer (DTL) and sub engineer (38 participant) for 12 DISC technical personal from 13-15 Aug, 2017. MoFALD/CLPIU has organized safeguard orientation training to DTL, social safeguard officer, environment safeguard focal person & contractors' engineer of 7 project districts (Gorkha, Lamjung, Chitwan, Kathmandu, Lalitpur, Bhaktapur, & Kavre) in Kathmandu on Oct. 17 & 18, 2017 and 5 project districts (Solukhumbu, Okhaldhunga, Dolkha, Ramechhap & Sindhuli) in Sindhuli on Oct 24, 25, 2017 respectively. The main objective of orientation training is review the progress of RP, IEE, EMP, GESI of each road sub-projects; and find the difficulties that are arising during their implementation & developing common understanding to solve those issues. 	

22. Extension of Time (EoT): The CLPIU with recommendation of DLPIU and DISC, the contract time period has been extended for 2 NCB contract packages (see table 7) of 2 district roads; EoT under consideration for one contract.

Table 7: Extension of Time for Civil work in district

SN	District	Name of road	Contract package	EoT approved/recommended.
1	Bhaktapur	Byasi-Jhaukhel-Telkot road	MoFALD/CLPIU/EE AP/Works/NCB-02	187 days (137+25+25) upto April 07, 2018
2	Lalitpur	Thaiba-Godamchour	MoFALD/CLPIU/EE AP/Works/NCB-08	107 days (19 Feb 2018 to 5 June 2018)
3	Kathmandu	Sankhu-Palubari-Nagarkot	DoI/DAR/EEAP/Works/NCB/01	Contractor registered about 300 days EOT, but DLPIU recommended 88 days (upto 9 July 2018)

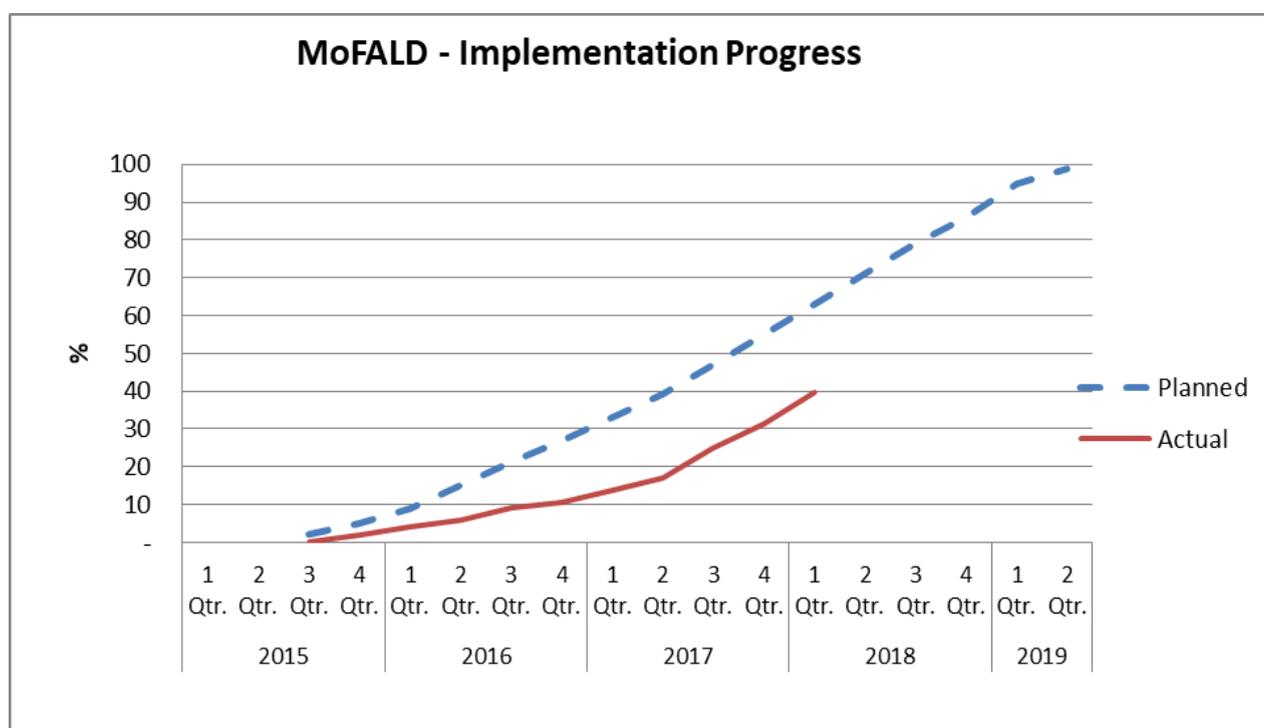
23. **Variation Order (VO):** With recommendation of DLPIU, DISC & CISC, the variation orders under 2 NCB contract packages have been approved by CLPIU for road works, (see table 8).

Table 8: Variation Order approved and recommendation

SN	District	Name of road	Contract package	VO amount (NRs.)	Approved VO in %
1	Bhaktapur	Byasi-Jhaukhel-Telkot road	MoFALD/CLPIU/EEAP/Works/NCB-02	8,644,329.54	7.97 %
2	Kavre	Khopasi-Dhunga Kharka-Chyamranbesi	MoFALD/CLPIU/Works/NCB/01 -2073-074	21,483,983.21	9.96 %

24. The component wise cumulative implementation progress status sheet has been prepared. The implementation progress till reporting period stood at **39.7 % (target 63 %) with an elapsed revised implementation period** of 69% (Loan signing date 24 June 2015, and project completion of 23 June 2019). The implementation progress also takes into account progress in pre-construction i.e. the procurement of consulting services, selection and approval of road sub-projects with detailed project reports, contract award, social safeguard activities and civil work in district roads. see Attachment 7. The implementation progress has been compared with the target envisaged at the time of project approval and actual progress achieved in reporting period are presented in Figure 1. The figure illustrates the six month delay in the start-up of the component and the EEAP as a whole.

Figure 1: Actual and Planned Implementation Progress



25. Contract Awards and Disbursements - Contract awards and disbursement projections for 2018 were confirmed in early 2018, see Table 9. The overall cumulative achievement of contract award and disbursement is US \$ 39.02 and US \$ 12.08 million respectively as of March 31, 2018 from ADB component.

Table 9: Contract awards and Disbursements

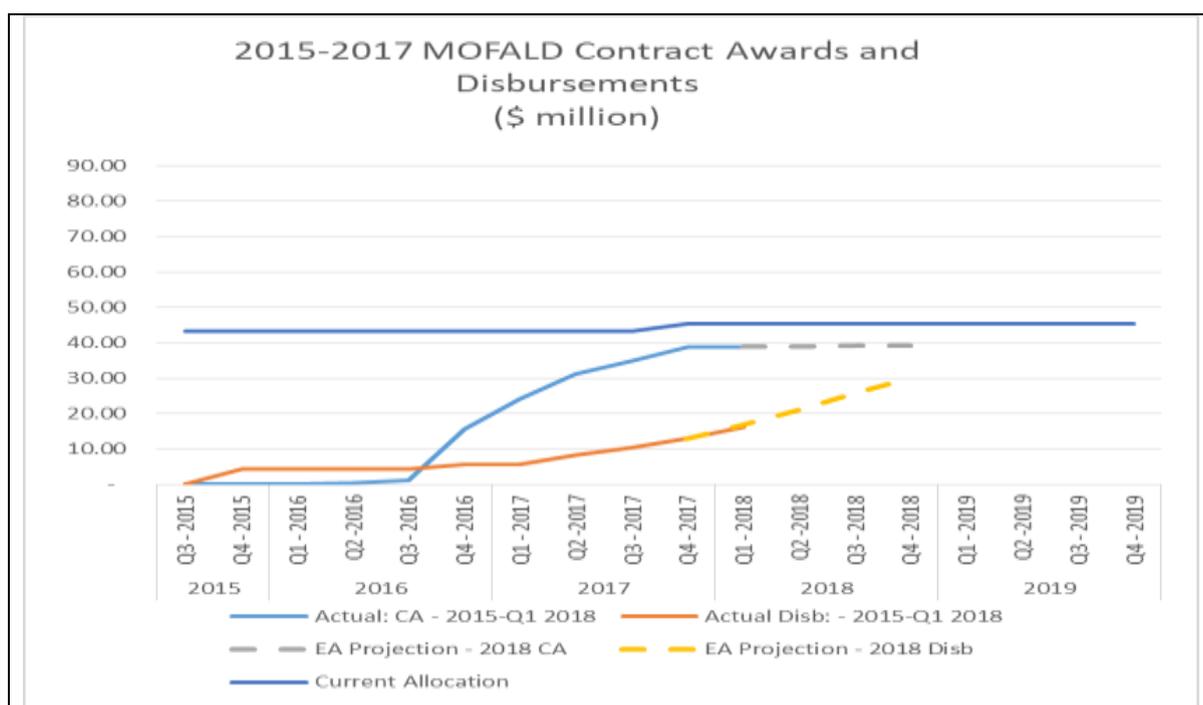
Contract awards(\$ millions)							Contract Disbursement (\$ millions)					
Description	Total 2017	2018				Total end of 31 Mar. 2018	Total 2017	2018				Total end of 31 Mar. 2018
		Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Target*	41.00	0.00	0.25	0.05	0.00	41.00	13.05	3.72	4.25	4.53	4.10	16.77
Achieved	39.02	0.00	0.00	0.00	0.00	39.02	13.16	3.22	0.00	0.00	0.00	16.38
Balance	1.98	0.00	0.25	0.05	0.00	1.98	0.11	0.50	4.25	4.53	4.10	0.39

Source: ADB's LFIS

26. By the end of 2017, cumulative contract awards achieved US \$ 39.02. No additional contracts were awarded in line with the 2018 projections. The disbursement during the reporting period reached \$3.22 million, close to the Q1 projection of US \$ 3.72 million.

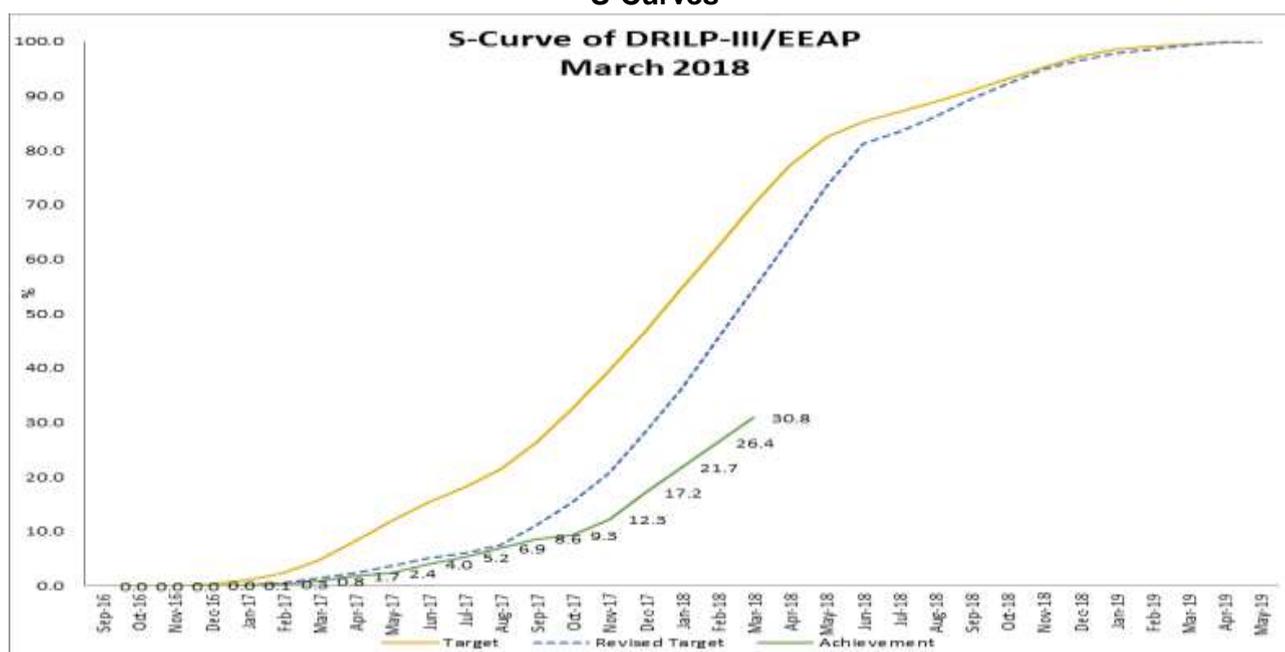
26. The Contract Award (CA) and Contract Disbursement (CD) targets for 2018 and the Q1 2018 achievements are presented in the form of S-curves in Figure 2. The S-Curves reflect the initial start-up delays experienced during 2015 and 2016.

Figure 2: Contract Award and Disbursement S-Curves



27. Plan and progress of individual civil works of NCB contract packages have been presented in a form of S-curve and included in Attachment 8. The cumulative Physical work Target, revised target and achievement of NCB civil contract works has been calculated and prepared as S-curve for monitoring purpose and is presented here in figure 3. The S-curve has been compiled with original and revised target vs. achievement of all NCB civil contract and the average achievement of NCB civil contract has about 30.8 % against the revised target of 54.5 %. Latest update of the curve shows that actual progress is lagging behind the originally planned projection, which is a reflection of the delays in the start – up of the physical work of NCB civil contracts in project districts.

Figure 3: Cumulative Physical Target vs. Progress of NCB Civil Contract Work S-Curves



28. Government Counterpart Funds – Within the budget for the fiscal year for 2017/2018 NRA allocation NPRs **2,326.99** million for rehabilitation and reconstruction of district roads; of this amount, **NPRs 278.84** million is earmarked to finance the 12% Counterpart financing of civil works contracts and **NPRs 329.49** million for compensation payment and its resettlement cost.

Table 10: Government Counterpart Funds (NPRs million)

Description	2016/2017	2017/2018			
		Trimester 1	Trimester 2	Trimester 3	Total
Allocation	496.43	91.16	212.91	304.16	608.33
Utilization	170.73	41.72	96.82	0.00	138.54
Difference	325.7	49.54	116.09	304.16	469.79

VI. MONITORING OF WORK & REVIEW MISSION

29. **Review Mission** – The review mission for Loan 3260/Grant 0529 of Earthquake Emergency Assistance Project (EEAP) was jointly fielded from Asian Development Bank, Nepal Resident Mission (NRA), CLPIU/MoFALD, CISC and SDC Nepal from 27 February to 19 April 2018. The mission reviewed (i) overall project status, outcome and outputs, (ii) reviewed the institutional, administrative, technical, environmental, social and financial aspects of the project, (iii) reviewed implementation progress and quality, (iv) reviewed the compliance with loan covenants, (v) updated the allocation of project funds among cost categories, (vi) updated the overall project cost and financing plan, (vii) reviewed the implementation status and ensure measures to recover delays along with acceleration plan, and assessed the need for an extension of the implementation period. Mission also assess construction quality and progress and agree on measure to recover delays. The mission undertook field visit to subprojects sites where work has started to review the on-site arrangements for construction supervision, construction quality with safeguards requirements. The mission visited 4 project districts (Dolkha, Ramechhap, Kathmandu & Kavre) from 6th to 8th March 2018. In mission visit; DLPIUs briefed the ongoing progress, major issues for delaying the work in site and also made interaction with DISC team

and contractors' representative. The wrap-up meeting is plan to organize on 19 April 2018 and will be chaired by Chief Executive Officer (CEO) of National Reconstruction Authority (NRA) and plan to attain all IAs and representatives of SDC.

30. **Country Portfolio Review Meeting (CPRM):** The 2018 annual country portfolio review meeting (CPRM) was held on 23 February 2018 in Kathmandu. The meeting jointly chaired by Secretary, MOF and Deputy Director General, South Asia Department (SARD)/ADB. The CPRM was attended by ADB staff, representative from the government, executing agencies (EAs) and implementing agencies (IAs) and media. The objective of the CPRM were to: (i) assess the performance against key portfolio indicators in 2017.(ii) review the status of implementation of all projects and programs with the concerned line ministries; (iii) discuss sector and project specific issues affecting portfolio performance; (iv) review the progress of agreed actions during the last portfolio review; (v) review and agree on 2018 contract award and disbursement projections; and (vi) prepare and agree on the comprehensive action plan for 2018. Despite various efforts to speed up project work, the ADB and MoF suggested to maintain the target of contract award with disbursements and asked project to deliver results within scheduled period.

31. **Monitoring visit from CLPIU, CISC:** CLPIU (PD, DPD), CISC (TL, DTL and PMRM) and ADB monitoring Engineer/roads has been frequently visited the ongoing road site. The monitoring visit mainly focused to support the DISC team and contractor for expediting the project activates in district, verification of project progress, monitoring the performance of contractor work. During visit, the expert have instructed contractors' to accelerate of ongoing work, maintaining desired work quality and make action plan to expedite the road works. However, the progress of construction work is being slow in most of the NCB civil contract packages. The monitoring team jointly with DLPIU, DISC & contractors' representative prepared the action plan and instructed to DISC, DLPIU to follow the agreed action plan and quality assurance plan. The visit team asked the DISC and contractor for revised work schedule with realistic resources and resolving the issues in management meeting with subsequent follow-up, instructions and notes.

VII. COMPLIANCE WITH COVENANTS

32. Most of the loan covenants applicable for the component are being complied, see *Attachment 9* for details. However, a few number of covenants related to environmental and social safeguards associated with road subprojects are partially complied.

VIII. STATUS OF ACTIONS AGREED DURING MID-TERM REVIEW (related to MOFALD)

	Action	Timeline	Responsibility	Status as of 31 March 2018
Extension of project implementation period and Loan/Grant/TA closing date				
	(i) Approach the SDC authorities for extending SDC-financed support.	(i) asap	(i) MOFALD/M OF	(i) CLPIU under process of approach the SDC authorities to request for extension of time for the SDC-financed TA support
Implications of the country's institutional transformation on project's implementation arrangements				
	(i) Confirm with provincial authorities the arrangements for handing-over and O&M liabilities of rehabilitated district roads and inform ADB about the arrangements	(i) at the latest by 31 March 2018	(i) MOFALD CLPIU	(i) CLPIU plan to coordinate with provincial authorities/local bodies for the process of

	Action	Timeline	Responsibility	Status as of 31 March 2018
				handing-over the completed subproject.
Need to improve contract management and construction supervision				
	<p>(i) Construction supervision by MOFALD DLPIUs in Dhading and Lamjung is improved</p> <p>(ii) Accelerate resettlement activities and addressing tree clearing issues.</p>	<p>(i) asap</p> <p>(ii) immediately</p>	<p>(i) MOUD CLPIU with assistance of the DISCs</p> <p>(ii) MOFALD DLPIU</p>	<p>(i) Contractor fully mobilized and continue the road widening, road side structure and gabion work in Lamjung.</p> <p>(ii) Verification of cadastral survey and collection of grievances from APs has almost completed.</p> <p>Tree cutting plan, prepared by DFO, for all 13 sub-project has submitted to DoF.</p>
	<p>(i) Monitor the performance REs and instruct replacement of non-performing REs</p> <p>(ii) Assess the performance of the DSC/CSCs/CISC and submit to ADB the assessment</p> <p>(iii) Take corrective action(s) in case of unsatisfactory performance</p>	<p>(i) on regular basis</p> <p>(ii) on quarterly basis</p> <p>(iii) when required</p>	<p>(i) MOFALD CLPIU</p> <p>(ii) MOFALD CLPIU</p> <p>(iii) MOFALD CLPIU</p>	<p>(i) Frequent monitoring from CLPIU, CISC and ADB monitoring Engineer/roads has been visited all 17 road sub project and instructed, supported and guidance the DISC, DLPIU and contractor for quality work and progress.</p> <p>(ii) followed and contractor performance has carried out</p> <p>(iii) Monitoring team form CLPIU, CISC and ADB monitoring engineer has verified the progress and instructed to follow up the specification and if any correction seems, enforce to dismantle and instruct to re-built in site (if needs).</p>
Need to improve contractors' performance				
	<p>(i) Obtain revised work schedules with updated resource plans from the contractors followed by rigorous reviews and follow-up actions</p>	<p>(i) asap</p>	<p>(i) REs</p>	<p>(i) CLPIU, DLPIU asked the Contractors to submit revised Monthly work schedule with additional</p>

	Action	Timeline	Responsibility	Status as of 31 March 2018
	<p>(ii) Obtain contractual submissions (quality assurance plan, work schedule, etc.) from all contractors</p> <p>(iii) Hold timely management meetings with subsequent follow-ups, instructions notices, etc.; proactively work with contractors to complete the works within the contract period</p> <p>(iv) Submit to the CLPIU performance assessment reports for each contractor; take corrective action(s)</p>	<p>(ii) by 10 Oct 2017</p> <p>(iii) immediately</p> <p>(iv) On monthly basis as of 15 Oct 2017</p>	<p>(ii) REs</p> <p>(iii) REs</p> <p>(iv) CISC</p>	<p>resources and followed up.</p> <p>(ii) QAP and revised work plans have been collected from contractor and DISC being followed –up</p> <p>(iii) Management meeting were conducted end of each month. The discussion has been made during the meeting and well documented in minutes of meeting.</p> <p>(iv) Contractor's performance assessment report has been collected and conducted Monthly progress review meeting in CLPIU & DLPIU with verification of progress. Further discussions were carried out on the issues identified (if any). Conducted regular basis monthly management meetings.</p>
Addressing safeguards compliance issues				
1. Overall issue – weak compliance				
	<p>(i) Assign a safeguards focal person and establish a safeguards task unit person in the DLPIU teams</p> <p>(ii) Orientation training for members of the DLPIU level safeguards task force units</p> <p>(iii) CISC to increase support for the DLPIU-level task force units</p>	<p>(i) immediately</p> <p>(ii) by 31 Oct 2017</p> <p>(iii) immediately</p>	<p>(i) MOFALD CLPIU</p> <p>(ii) MOFALD CLPIU</p> <p>(iii) MOFALD CLPIU/ CISC</p>	<p>(i) Safeguard focal person and safeguard task unit has established in each project district and assigned the person in district.</p> <p>(ii) Safeguard related (RP, IEE, GESI) & MS project software orientation training conducted to DLPIU, DISC members</p> <p>(iii) On the basis of work volume, CISC has increased the support to DLPIU and</p>

Action	Timeline	Responsibility	Status as of 31 March 2018
			will increase the support staff on the need base.
2. Environment Related Safeguards Issues			
a. District Roads, Schools and Office Building Subprojects			
<p>(i) Distribute EMPs to DLPIUs and issue contract addenda for the inclusion of EMPs into the contracts</p> <p>(ii) Instruct all contractors to mobilize environmental safeguards compliance personnel.</p> <p>(iii) Assign field environment monitors to monitor a cluster of nearby subprojects/ contracts</p> <p>(iv) Assign sub-engineers as environment monitors</p>	<p>(i) by 30 Sept 2017</p> <p>(ii) by 30 Sept 2017</p> <p>(iii) immediately</p> <p>(iv) immediately</p>	<p>(i) MOFALD CLPIU</p> <p>(ii) MOFALD CLPIU</p> <p>(iii) CISC</p> <p>(iv) DLPIUs/DI SCs</p>	<p>(i) IEE & EMPs has prepared and distributed to DLPIU & contractor for follow up and implementation in site.</p> <p>(ii) DLPIU has mobilized and instructed to contractors to appoint and mobilize the safeguard personnel in site for compliance the environmental safeguards.</p> <p>(iii) CISC environment expert regularly monitor the site.</p> <p>(iv) Sub-engineer from DLPIUs and DISC has appointed sub-engineer as environment monitor in road site ongoing work</p>
b. Strategic and District Road Subprojects			
<p>(i) Submit tree clearing plans to district forest office for initiating Cabinet approval through MOFSC</p> <p>(ii) Provide ADB information about progress in implementing tree clearing plans.</p>	<p>(i) by 25 Sept 2017</p> <p>(ii) on fortnightly basis as of 15 Oct 2017</p>	<p>(i) MOFALD by 25 Sept 2017</p> <p>(ii) MOFALD CLPIU</p>	<p>(i) Tree cutting plan, prepared by DFO, for all 13 sub-project has been submitted to DoF and updated to ADB/CLPIU on fortnightly basis. Forest clearance process has been initiated for all 14 road sub-projects as per "Working Procedure to Use National Forest Area for National Priority projects 2074 BS</p> <p>(ii) Updated list and information has been sent to ADB on fortnightly basis.</p>

Action	Timeline	Responsibility	Status as of 31 March 2018
3. Social Safeguards Related Issues			
a. District Road Subproject			
Resettlement Plans			
<p>(i) Obtain ADB approval of the remaining 7 RPs</p> <p>(ii) Substantially complete compensation payments and ensure that contractors do not take physical possession prior to compensation payment</p> <p>(iii) Revise contractors' work schedules taking into account available areas and compensation payment schedules</p> <p>(iv) Provide ADB with contractors' site mobilization schedules in accordance with progress in compensation payments</p> <p>(v) Provide ADB information about progress in compensation payments</p>	<p>(i) by 30 Sept 2017</p> <p>(ii) by 31 Dec 2017</p> <p>(iii) as soon as possible</p> <p>(iv) by 15 Oct 2017</p> <p>(v) on fortnightly basis as of 15 Oct 2017</p>	<p>(i) MOFALD CLPIU</p> <p>(ii) MOFALD DLPIUs DISC Res</p> <p>(iii) MOFALD CLPIU</p> <p>(iv) MOFALD CLPIU</p>	<p>(i) All 17 RPs including 1 DDR have been approved by NRA and are endorsed by ADB.</p> <p>(ii) Compensation of NRs 168,886,018.40 (a6.67%) has been distributed and 425 HHS' (10.83 %) deeds have been transferred in 6 project district.</p> <p>(iii) Revised contract work schedule collected and compensation payment has also been scheduled accordingly</p> <p>(iv) All 21 civil contractor has been mobilized and continue civil work and progress of compensation payment list has also submitted to DLPIU and contractor as well.</p> <p>(v) Distribution of compensation payment has been in progress and forwarded the updated progress to ADB on fortnightly basis</p>
Compensation payment and site possession			
<p>(i) Not to handover construction sites to the contractor</p> <p>(ii) Expedite compensation payments and partially demobilize contractors for sections where work is ongoing but compensation is not yet paid</p>	<p>(i) until RP approved and compensation paid</p> <p>(ii) asap</p>	<p>(i) MOFALD DLPIUs</p> <p>(ii) Contractors / DISC REs</p>	<p>(i) RP of all 17 sub-projects have been approved. Deed transfer & Compensation payment has been progressing, accordingly work site has handover to contractor.</p> <p>(ii) The progress on compensation payment is in progressing</p>

	Action	Timeline	Responsibility	Status as of 31 March 2018
	<p>(iii) Ensure adjustments in contractors' work schedules by focusing on public land and other activities until compensation payments have been made</p> <p>(iv) Complete compensation determination/ substantially complete compensation payments for all subprojects</p> <p>(v) Provide ADB information about progress in compensation payments</p>	<p>(iii) asap</p> <p>(iv) by 15 Oct 2017/ by 31 Dec 2017</p> <p>(v) on fortnightly basis as of 15 October 2017</p>	<p>(iii) MOFALD DLPIUs</p> <p>(iv) MOFALD CLPIU</p> <p>(v) MOFALD CLPIU</p>	<p>(iii) List of public land and private land, Jungle area covered along road alignment has been identified and strip map were prepared and handed to contractor for road work.</p> <p>(iv) Compensation payment is gearing up and focused on payment to APs in districts.</p> <p>(v) Progress reports including MPR, QPR and fortnightly reports are forwarded to ADB on regular basis.</p>
Planning for life-skills training				
	<p>(i) Prepare participants' selection criteria, implementation arrangements and budget estimates for life-skills training for ADB review</p> <p>(ii) Use counterpart funds for life-skills training</p>	<p>(i) by 5 Oct 2017</p>	<p>(i) MOFALD CLPIU</p> <p>(ii) MOFALD CLPIU</p>	<p>(i) 734 participants' were attained life skills training under GESI orientation programs at subproject level in 7 districts. Among them 452 were male 282 were female</p> <p>(ii) CLPIU with coordination of DLPIU & DISC, the life skill training and GESI training are in progressing.</p>
Grievance redress mechanism not yet functional				
	<p>Establish Grievance Redress Committees</p>	<p>by 31 October 2017</p>	<p>MOFALD CLPIU</p>	<p>Grievances Redress Committees has been established in district level and sub-project wise. It's in function and started to resolve the grievance in particular level.</p>
GESI Action Plan - need for revisions and full implementation				
	<p>(i) Fully implement revised GESI Action Plan</p>	<p>(i) immediately</p>	<p>(i) MOFALD CLPIU</p>	<p>(i) GESI action plan has been implemented as per DPR</p>
Partial implementation of the EEAP MIS				

	Action	Timeline	Responsibility	Status as of 31 March 2018
	<p>(i) Instruct site engineers to utilize the MIS mobile apps to input site information immediately</p> <p>(ii) Provide technical support as required to implement the MIS at all levels</p>	<p>(i) Immediately</p> <p>(ii) as required</p>	<p>(i) MOFALD CLPIU</p> <p>(ii) TA 8910 MIS consultant</p>	<p>(i) Site Engineers who received training have started uploading MIS information through mobile apps.</p> <p>(ii) CISC and ADB provided orientation training (partially in district level) to DISC to implement MIS at project level</p>
Contract awards and disbursements				
	<p>(i) Submit to ADB detailed disbursement schedules together with the schedule for submission of Was</p>	<p>(i) By 30 Oct 2017</p>	<p>(i) MOFALD CLPIU</p>	<p>(i) DISC and DLPIU (PM) prepared Target for disbursement in upcoming FY 2018 and CLPIU has compiled and submitted to ADB</p>
Addressing DRR aspects in roads				
	<p>(i) Submit to ADB the TOR for DRR expert to carry out disaster risk screening/ assessment of the district road subprojects</p> <p>(ii) Carry out DRR screening/ assessment</p> <p>(iii) DRR mitigations measures identified in the assessment to be included under ongoing contracts where possible</p> <p>(iv) DRR mitigation measures which cannot be included under ongoing contracts to be financed through other GON sources</p>	<p>(i) by 30 Nov 2017</p> <p>(ii) Jan-March 2018</p> <p>(iii) as of April 2018</p> <p>(iv) as of 2019</p>	<p>(i) MOFALD CLPIU</p> <p>(ii) MOFALD CLPIU/ DRR expert</p> <p>(iii) MOFALD/ C/DISC</p> <p>(iv) MOFALD</p>	<p>CLPIU forwarded TOR to ADB for DRR expert to carry out disaster risk assessment of district road subproject</p> <p>Under process of appointing the DRR expert, the DRR screening and assessment will be started from Q2 2018</p> <p>Will be decided after identification of DRR mitigation measure from DRR expert and try to incorporate in ongoing contract pkg.</p> <p>DRR expert will prepare the potential disaster risk site in ongoing road and CLPIU will conduct sharing meeting with NRA and decide</p>

IX. MAJOR PROJECT ISSUES AND PROBLEMS

A. Status of Critical Actions Identified During the Previous Reporting Period

Issues	Actions	Responsibility	Status (31 March 2018)
Delay in Recruitment consultancy firm for quality Assurance (IC firm)	EOI evaluation report submitted on time and submission of (Submission one) EOI evaluation to ADB for approval	MOFALD - CLPIU	<ul style="list-style-type: none"> • MoFALD/CLPIU invited EOI from eligible consulting firms for Quality Assurance and Quality Control activities in 12 EEAP project districts on 18 Sept 2017 and also extended 15 days (31 October 2017). • The Request for Proposal (RFP) has been submitted to ADB for approval. • The financial proposal has also been submitted to ADB on 29 March 2018 for approval and under approval process.
Delay in preparation of safeguard report and implementation of approved RP	Approve all IEE, EMP and start the implementation of EMP in all road subproject	MOFALD/CLPIU/NRA	<ul style="list-style-type: none"> • Out of 17 IEE reports, 14 IEE reports have been approved from National Reconstruction Authority (NRA) and • 3 IEE reports (Ramechhap-1, Okhaldhunga-1 & Sindhuli-1) have been updated due to variation in area of forest and / or number of trees in the field in comparison to approved IEE and resent to NRA for approval • Out of 17 road subprojects, 13 road subproject need forest clearance. Forest clearance process has been initiated for all 13 road subprojects. • Tree cutting plan of Kathmandu has been forwarded to Ministry of Forest • Tree cutting plan of 8 road subprojects (Gorkha-2, Lamjung-1, Chitwan-1, Ramechhap-1 of Haldibesi, Dolkha-2 and Lalitpur-1) have been returned by DoF. The comments from DoF are being incorporated. • Occupational Health and Safety: Labours are insured, safety gears provided are partially used, sanitation at campsite maintained satisfactorily. • All 17 Resettlement Plan including 1 DDR (Dolakha) of 17 road sub project in 12 district under EEAP approved by NRA and duly endorsed by ADB • Compensation distribution has been in progress. NRs 168.886 million (16.67%) out of targeted NRs 1,013.257 million has been distributed in Kathmandu-1, Bhaktapur-1, Lalitpur-2, Kavre-2, Okhaldhunga-1 & Solukhumbu-1. • The deed transfer process has also been in progress. 425 HHs (10.83%) deed transfer has been transferred out of planned 3,923 HHs.

Delay in mobilization and start of civil work by civil contractor	Suggest and asked the contractor for mobilization of contractor on commencement day and assist to joint survey of remaining 4 contract packages	CLPIU/DLPIU/CISC	<ul style="list-style-type: none"> Most of all NCB civil contractor mobilized and started road construction work in all 17 road sub project.
Delay in Physical progress on Civil works	Intensify supervision and monitoring	MOFALD-CLPIU/DLPIU	<ul style="list-style-type: none"> Average achievement of NCB civil contract has about 30.8 % against the revised target of 54.5 %. the physical work progress is going slowly due to late mobilization of contractor, election and poor contract management
Slow Interagency coordination (forest office, land office) for implementation of EMP, RP	Improve interagency coordination for smoothly implementation of road work with district level office	CLPIU, DLPIU	<ul style="list-style-type: none"> The interagency coordination with stakeholder in district (Forest office, land office) is improving, as DISC continue made coordination and DLPIU team visit in forest office (DFO) and land office for verification of cadastral map and under progress of deed transfer in districts.

B. Critical Actions to be addressed during the Next Three Months

Issues	Actions	Responsibility	Time Frame
Safeguard issues	Subsequently complete Tree clearance and compensation payment activities Prepare a recovery works schedule based on tree clearing and compensation distribution each contract	MOFALD, CLPIU; NRA	30 April 2018
Time consuming process on the part of DSO/DLRO and slow implementation of approved Resettlement Plan (RP)	Seeking coordination with DSO/DLRO from MoFALD/CLPIU, DLPIU for verification of cadastral map to speed up the distribution of compensation payment and Deed transfer	MOFALD-CLPIU, DLPIU, DISC	30 April 2018
Slow construction progress	Intensify monitoring and reduce the number of delay packages Accelerate the construction progress and achieve the target	MoFALD, CLPIU	30 April 2018
Need to improve contractor's performance	Evaluate monthly performance of contractors based on the developed framework	DSC/CSCs/CISC	continue

Attachments

Attachment 1	:	Status of Achieving Project Impact, Outcomes, and Inputs/ Activities
Attachment 2	:	List Identified Subprojects
Attachment 3	:	Planning and Implementing Safeguards Activities
Attachment 4	:	GESI Action Plan Implementation
Attachment 5	:	Status of CLPIU and DLPIU Staffing
Attachment 6	:	Procurement Status and Details
Attachment 7	:	Component Implementation Progress (Revised Physical Progress status Sheet
Attachment 8	:	S-Curve of NCB Civil Contract Packages
Attachment 9	:	Compliance with Loan Covenants