

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: EAST ASIA AND PACIFIC
COUNTRY: LAO PEOPLE’S DEMOCRATIC REPUBLIC

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: East Asia and Pacific
Lao People's Democratic Republic

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Lao People's Democratic Republic

Project Name (ID): Land Titling (P004208)

Country: Laos

Board Approval Date: 03/21/1996

Midterm Review Date: 10/01/1999

Closing Date: 09/30/2005

Loan/Credit/Grant Number: IDA-28320

Sector(s): Law and justice (50%), Central government administration (40%), Sub-national government administration (10%)

Theme(s): Land administration and management (P), Personal and property rights (P), Rural markets (S)

Project Development Objectives:

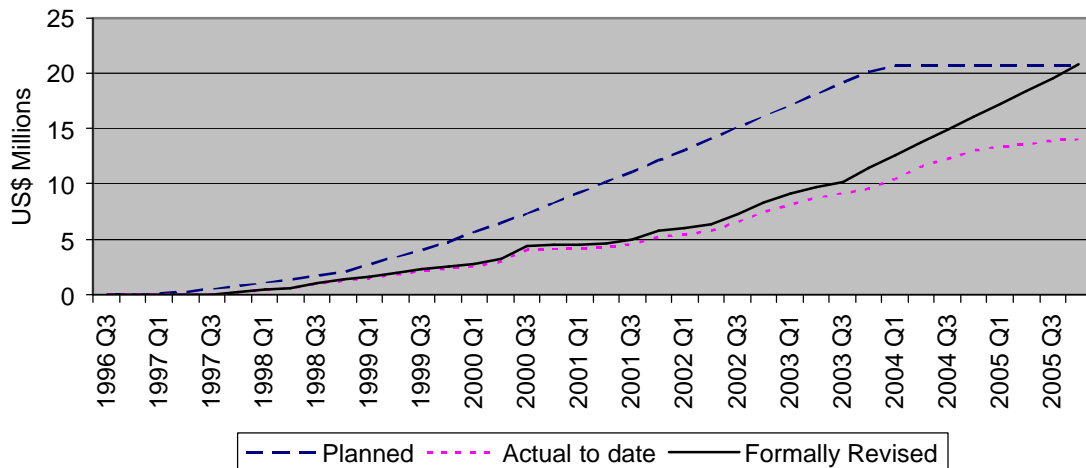
The objective is to improve land tenure security and increase government revenues from land-related taxes and fees.

Progress toward achieving development objective(s):

The project has substantially achieved its development objectives, by establishing the basis for a national land registration system, initially in Vientiane Capital and 8 provinces. A monitoring and evaluation system is being established to enable the Department of Lands and Provincial Land Offices to monitor further expansion of the areas covered by the titling and registration system, revenues from land taxes and fees, and indicators such as the incidence of disputes and their resolution. The achievements of the project will be further consolidated under the Second Land Titling Project.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-28320	Effective	20.43	14.02	5.41	0.00



Project Name (ID): Provincial Infrastructure (P042237)

Country: Laos

Board Approval Date: 09/22/1998

Midterm Review Date: 05/17/2002

Closing Date: 11/30/2006

Loan/Credit/Grant Number: IDA-31310

Sector(s): Roads and highways (58%), Water supply (21%), Sub-national government administration (16%), Aviation (4%), Ports, waterways, and shipping (1%)

Theme(s): Rural services and infrastructure (P)

Project Development Objectives:

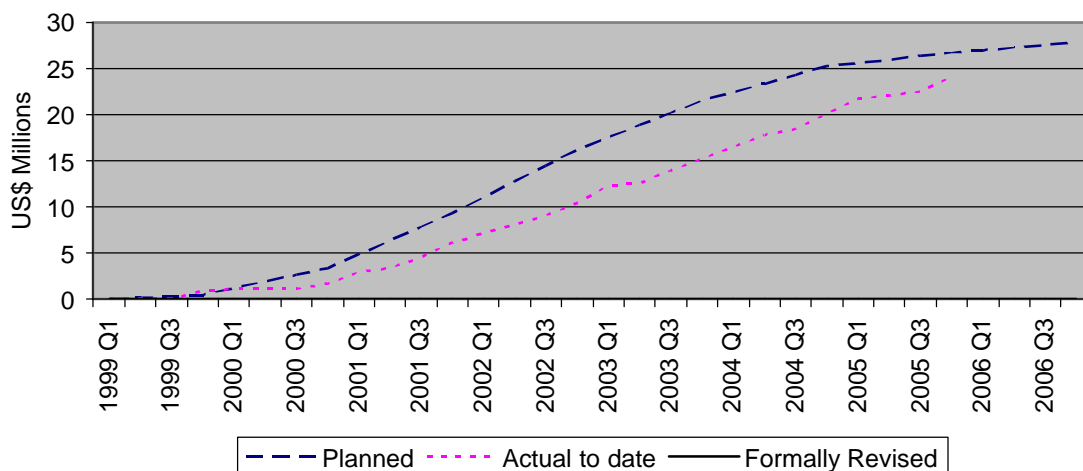
To strengthen the local institutional capacity, and rehabilitate and upgrade critical basic infrastructure of Oudomxay and Phongsaly Provinces.

Progress toward achieving development objective(s):

Progress has been accelerating and both Provinces continue to perform well. Progress on the Transport Access component is very satisfactory, and all original works are expected to be completed by early 2005, a year before the closing date. The institutional strengthening and capacity-building component continues to show progress.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-31310	Effective	30.20	24.06	4.35	0.00



Project Name (ID): Sustainable Forestry for Rural Development (P064886)

Country: Laos

Board Approval Date: 06/24/2003

Closing Date: 12/31/2008

Loan/Credit/Grant Number: IDA-38020, JPN-26765

Sector(s): Forestry (100%)

Theme(s): Other public sector governance (P), Land administration and management (P)

Project Development Objectives:

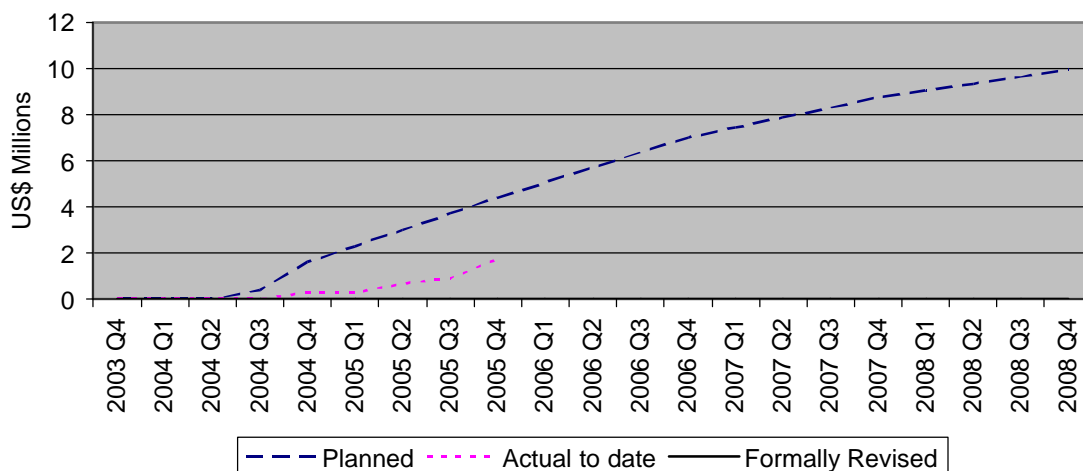
The objective is to achieve the sustainable management of production forests to alleviate rural poverty in the Project Provinces.

Progress toward achieving development objective(s):

The project continues to experience a slow start. Nonetheless, progress has been achieved, for example: the establishment of 8 national Production Forest Areas (PFA); the establishment of Provincial and District level implementation arrangements; broad and participatory dissemination of information on the project concept; and initiation of promising work on sectoral monitoring and control. Independent certification of sustainable forest management has been awarded for two projects sites.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38020	Effective	10.51	1.78	8.77	0.00
JPN-26765	Closed	0.08	0.07	0.00	0.01



Project Name (ID): Agricultural Development (P065973)

Country: Laos

Board Approval Date: 05/29/2001

Midterm Review Date: 04/01/2005

Closing Date: 06/30/2007

Loan/Credit/Grant Number: IDA-35090, JPN-26194, JPN-26886

Sector(s): Irrigation and drainage (50%), General public administration (24%), Agricultural extension and research (13%), General transportation (10%), General water, sanitation and flood protection (3%)

Theme(s): Other social protection and risk management (P), Other rural development (P), Decentralization (S), Participation and civic engagement (S)

Project Development Objectives:

The primary objective of the project is to reduce rural poverty by improving and increasing agricultural production. This will be achieved by taking a community-based approach, designing and implementing components which directly impact the lives of the poor in the participating provinces and districts.

Progress toward achieving development objective(s):

The project development objective (PDO) remains valid and relevant to address development constraints in the agricultural sector of Lao PDR. The project has been making progress towards the achievement of its development objectives.

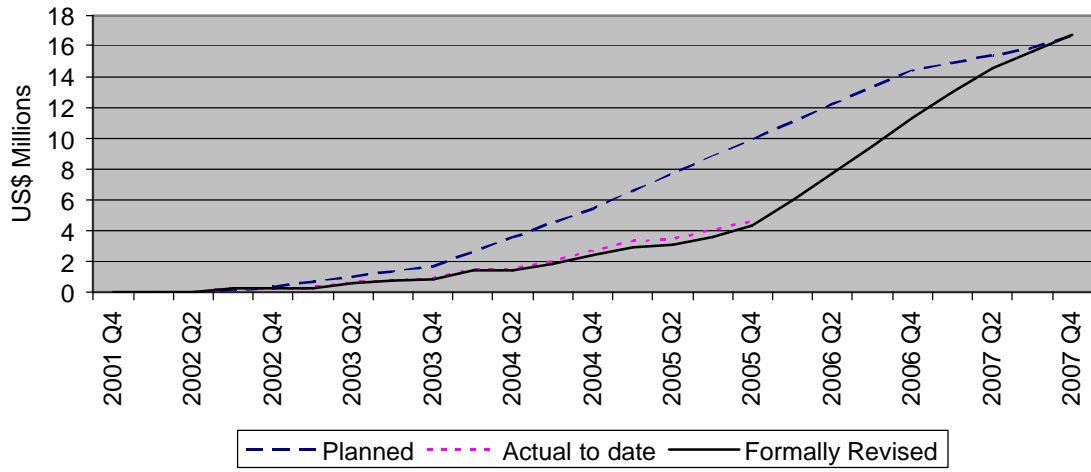
More specifically, the implementation of the Rural Infrastructure Component, the largest component of the project, has been progressing well. All planned civil works will be under construction by end of 2005 and the project is expected to meet all its physical targets by the closing date in June 2007. By achieving these targets, that include rehabilitated irrigation schemes, renovated access tracks, and improved water supply and sanitation infrastructure, combined with strengthened agricultural extension service delivery, the project will contribute to poverty reduction, improved agricultural productivity, and improved quality of life.

The Village Investment for the Poor (VIP) component targeted at poor villages in the project districts has been implemented to date in a highly effective manner. An independent evaluation confirmed that the VIP led to: (a) improved food security in VIP villages; (b) increased rural incomes; (c) strengthened capacity at community-levels for participatory activity planning and implementation and resource management; and (d) improved relationships between communities and district government staff.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35090	Effective	19.26	4.63	14.56	0.00
JPN-26194	Closed	0.08	0.06	0.00	0.01
JPN-26886	Closed	1.16	1.15	0.01	0.00

Status of Projects in Execution - FY05



Project Name (ID): Second Land Titling (P075006)

Country: Laos

Board Approval Date: 06/24/2003

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IDA-38010, JPN-50627

Sector(s): General public administration (50%), General agriculture, fishing, and forestry (50%)

Theme(s): Land administration and management (P), Rural markets (P), Personal and property rights (P)

Project Development Objectives:

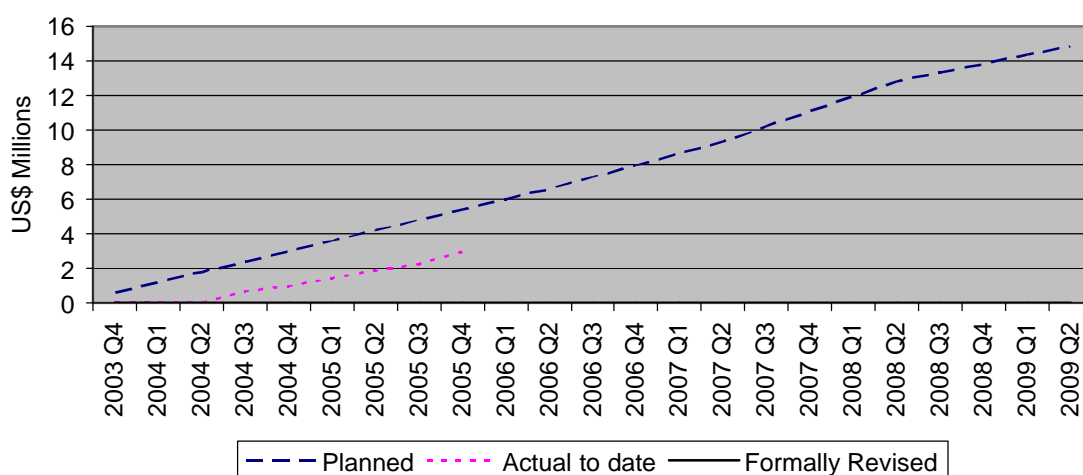
The objectives are to improve land tenure security and develop efficient and transparent land administration institutions.

Progress toward achieving development objective(s):

Good progress has been made in the continued restructuring of the Department of Lands and Provincial Land Offices. Adjudication and distribution of land titles are progressing as scheduled, although the project has suffered from severe constraints in counterpart financing. For the project objectives to be achieved, the Department of Lands (DOL) and Provincial Land Offices will need to put more emphasis in the coming year on the quality of titling and registration processes, and the efficiency and transparency of their procedures. To that end, further development of planning and monitoring and evaluation processes will be an important element. Another priority is addressing a number of pending policy issues, the resolution of which will require improved collaboration between DOL, the Department of National Land Use Planning and Development, and the Department of State Assets.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38010	Effective	15.76	2.98	12.85	0.00
JPN-50627	Closed	0.49	0.40	0.00	0.08



Project Name (ID): First Poverty Reduction Support (P075287)

Country: Laos

Board Approval Date: 03/31/2005

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IDA-40490, IDA-H1560

Sector(s): General public administration (60%), Banking (12%), Health (12%), General education (12%), Forestry (4%)

Theme(s): Public expenditure, financial management, and procurement (P), State enterprise/bank restructuring and privatization (P), Health system performance (S), Administrative and civil service reform (S), Regulation and competition policy (S)

Project Development Objectives:

The series of PRSCs will make monitorable progress in realizing the objectives laid out in the National Growth and Poverty Eradication Strategy (NGPES) - and reaching the Millennium Development Goals (MDGs) - by strengthening (a) management and impact of public resources and (b) enhance the sustainability of its development efforts through the promotion of economic growth.

Progress toward achieving development objective(s):

The operation is not yet effective. Effectiveness is expected by September 1, 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40490	Not Effective	4.38	0.00	4.38	0.00
IDA-H1560	Not Effective	5.25	0.00	5.25	0.00

Project Name (ID): Poverty Reduction Fund (P077326)

Country: Laos

Board Approval Date: 06/25/2002

Closing Date: 03/31/2008

Loan/Credit/Grant Number: IDA-36750, IDA-Q3350

Sector(s): General transportation (28%), General education (28%), Other social services (25%), Central government administration (11%), Sub-national government administration (8%)

Theme(s): Rural services and infrastructure (P), Decentralization (P), Gender (P), Participation and civic engagement (P), Other social protection and risk management (S)

Project Development Objectives:

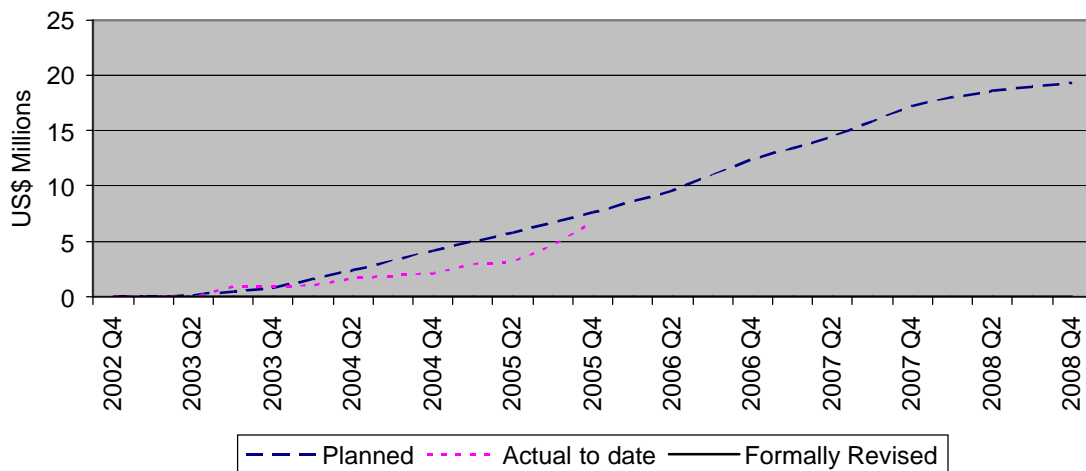
The project aims to: (i) improve the access to public infrastructure and services at the village level; (ii) build capacity and empower villages in poor districts to manage their own public investment planning; and (iii) strengthen local institutions to support participatory decision making and conflict resolution processes at the village, inter-khet, and district levels.

Progress toward achieving development objective(s):

Good progress is being made in meeting the project development objectives. The Poverty Reduction Fund (PRF) is delivering development resources directly to the village level. Villagers select, plan, implement and manage their own sub projects. As of the end of December 2004, 431 sub projects had been approved in the 14 project districts (1,412 villages) under the second cycle of funding. Four additional districts within the original three provinces (3 new districts in Hyaphanh and 1 new district in Savannakhet) were included in this second year of implementation. The PRF third cycle of activities is expected to start no later than September 2005 at which point PRF will be operating in 20 districts in five provinces (Champasack, Huaphanh, Savannakhet, Saravane, and Xiengkhuang). The most requested types of projects relate to access to clean water, education and transportation.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36750	Effective	22.32	6.78	15.58	0.00
IDA-Q3350	Closed	0.60	0.00	0.00	0.60



Project Name (ID): Financial Management Capacity Building (P077620)

Country: Laos

Board Approval Date: 06/25/2002

Closing Date: 04/30/2008

Loan/Credit/Grant Number: IDA-36760

Sector(s): Central government administration (58%), Banking (35%), General industry and trade (7%)

Theme(s): State enterprise/bank restructuring and privatization (P), Regulation and competition policy (P), Public expenditure, financial management, and procurement (S), Small and medium enterprise support (S), Rural markets (S)

Project Development Objectives:

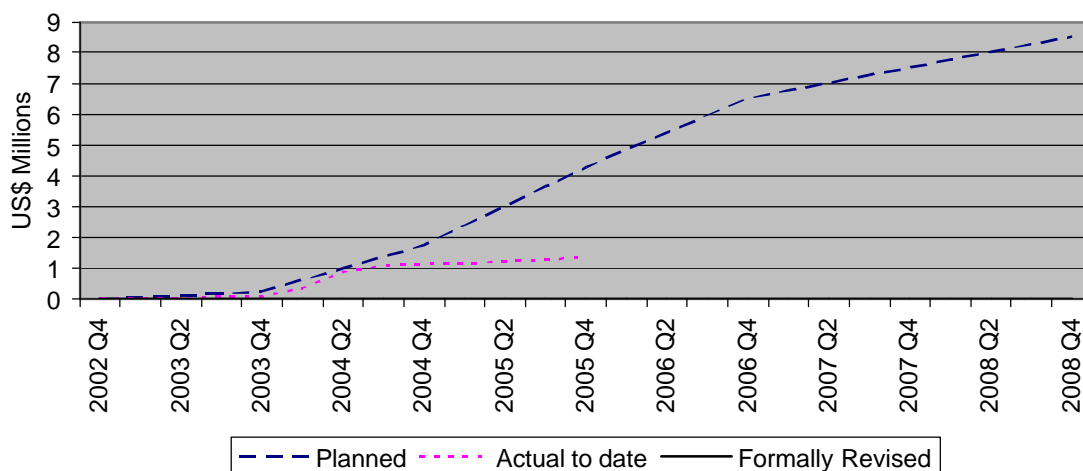
The project development objective is build capacity of Government of Lao (GOL) to implement its structural reform program and to provide timely and flexible support to facilitate the implementation of the reform program in banking sector reform, SOE reform, and public sector reform.

Progress toward achieving development objective(s):

The project has performed poorly in FY05 toward achieving its development objectives. The reasons being that most of the main activities to support the implementation of the financial sector reform, initially identified in the project appraisal document, have been supported by other development agencies. At present, the Project funds are utilized to support the external audits for selected state-owned enterprises, the audits of three state banks and two long-term advisors for the MOF to assist in coordinating the implementation of the Public Expenditure Management Strengthening Program (PEMSP). These advisors can play important roles in assisting the MOF in identifying its TA and training needs for PEMSP; however the recruitment process need to be expedited. The Government is in the process of finalizing its work programs and new proposals for a re-design of the project to include additional activities in the 3 areas of reform. The project is likely to provide only marginal support in the banking sector reform. Key activities to implement the PEMSP need to be identified on a comprehensive basis and in a coordinated manner (scheduled for September 2005) and the implementation of the SOE Reform has made slow progress given the delay in the submission of the work program. This is expected to be ready for discussion by October 31, 2005. The re-design will have no impact on the development objectives.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36760	Effective	9.92	1.38	8.54	0.00



Project Name (ID): Second Education Development (P078113)

Country: Laos

Board Approval Date: 04/29/2004

Closing Date: 02/28/2010

Loan/Credit/Grant Number: IDA-38860, IDA-H0840, IDA-Q3930, JPN-26344

Sector(s): Primary education (54%), Central government administration (35%), Tertiary education (11%)

Theme(s): Education for all (P), Participation and civic engagement (S)

Project Development Objectives:

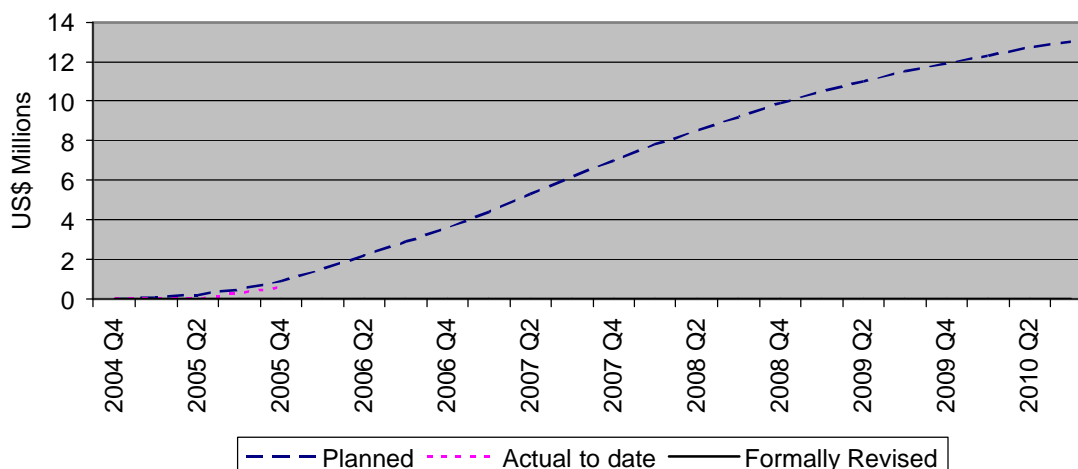
The development objective is to increase primary school enrollment and completion (reduce repetition and drop-out rates) in the 19 poorest provinces.

Progress toward achieving development objective(s):

The project became effective on January 2005. The first six months of implementation have contributed to ensuring that the first 20 pilot village communities will receive the project interventions (primary school building, teacher training, and cash transfers) for the 2005/06 school year.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38860	Effective	5.69	0.31	5.39	0.00
IDA-H0840	Effective	8.17	0.30	7.89	0.00
IDA-Q3930	Closed	0.23	0.00	0.00	0.23
JPN-26344	Closed	0.46	0.40	0.00	0.06



Project Name (ID): Road Maintenance Program Phase 2 (P083543)

Country: Laos

Board Approval Date: 06/30/2004

Closing Date: 03/31/2009

Loan/Credit/Grant Number: IDA-39440, JPN-53320, JPN-53808

Sector(s): Roads and highways (97%), Central government administration (3%)

Theme(s): Infrastructure services for private sector development (P), Other accountability/anti-corruption (S), Other financial and private sector development (S), Non-communicable diseases and injury (S)

Project Development Objectives:

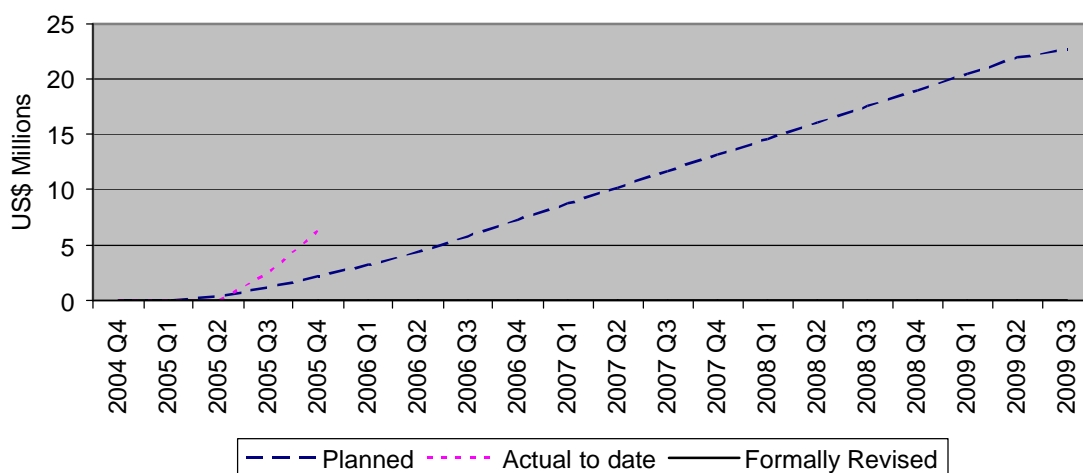
The second phase of the Road Maintenance Program will expand the operation of financing and management systems for the sustainable maintenance of the road networks to all 18 provinces/zones countrywide.

Progress toward achieving development objective(s):

The second phase has made a strong start since approval one year ago. While implementation of civil works is proceeding well in the continuing annual programs, there is little progress yet on implementation of the major capacity-building component due to delays in the procurement of all related consultancies, and only modest progress on the procurement of equipment and facilities.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39440	Effective	22.62	6.28	16.51	0.00
JPN-53320	Closed	0.46	0.44	0.00	0.02
JPN-53808	Effective	4.80	0.25	4.55	0.00



Project Name (ID): Environment and Social (P090693)

Country: Laos

Board Approval Date: 06/30/2005

Closing Date: 12/31/2010

Loan/Credit/Grant Number: IDA-H1770

Sector(s): Central government administration (48%), Forestry (25%), Other social services (11%), Sub-national government administration (9%), General education (7%)

Theme(s): Environmental policies and institutions (P), Other social development (S), Biodiversity (S), Water resources management (S), Participation and civic engagement (S)

Project Development Objectives:

The overall Project Development Objective is to assist the Recipient to strengthen the management of environmental and social issues associated with the sustainable use of natural resources in Lao PDR for enhancing quality of growth and reducing poverty.

Progress toward achieving development objective(s):

The project was not effective before the close of reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H1770	Not Effective	3.94	0.00	3.94	0.00