



# Validation Report

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Reference Number: PVR-376  
Project Number: 30271  
Loan Number: 2085  
December 2014

## Lao People's Democratic Republic: Roads for Rural Development Project

Independent Evaluation Department  
**Asian Development Bank**

## ABBREVIATIONS

ADB	–	Asian Development Bank
DOR	–	Department of Roads
EIRR	–	economic internal rate of return
ha	–	hectare
km	–	kilometer
Lao PDR	–	Lao People's Democratic Republic
MPWT	–	Ministry of Public Works and Transport
PCR	–	project completion report
RRP	–	report and recommendation of the President
VOC	–	vehicle operating cost

## NOTE

In this report, “\$” refers to US dollars.

### Key Words

adb, asian development bank, independent evaluation department, lao people's democratic republic, lessons, road sector, performance evaluation, project completion report, rural development, rural road, transport

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## PROJECT BASIC DATA

<b>Project Number:</b>	30271	<b>PCR Circulation Date:</b>	Mar 2014	
<b>Loan Number:</b>	2085	<b>PCR Validation Date:</b>	Dec 2014	
<b>Project Name:</b>	<b>Roads for Rural Development Project</b>			
<b>Country:</b>	Lao People’s Democratic Republic		<b>Approved</b> (\$ million)	<b>Actual</b> (\$ million)
<b>Sector:</b>	Transport and ICT	<b>Total Project Costs:</b>	39.20	49.46
<b>ADB Financing:</b> (\$ million)	<b>ADF:</b> 17.70	<b>Loan:</b>	17.70	18.79
		<b>Borrower:</b>	8.20	14.35
	<b>OCR:</b> 0.00	<b>Beneficiaries:</b>	0.00	0.00
		<b>Others:</b>	0.00	0.00
<b>Cofinanciers:</b>	OFID NDF	<b>Total Cofinancing:</b> OFID NDF	6.00 7.30	6.00 10.32
<b>Approval Date:</b>	28 Jun 2004	<b>Effectiveness Date:</b>	15 Mar 2005	30 Jun 2005
<b>Signing Date:</b>	15 Dec 2004	<b>Closing Date:</b>	30 Jun 2012	17 Jun 2013
<b>Project Officers:</b>	P. Vallely J. Miller P. Chanthirath	<b>Location</b> ADB headquarters ADB headquarters Lao PDR Resident Mission	<b>From</b> Jun 2004 Jul 2006 Nov 2007	<b>To</b> Jun 2006 Oct 2007 Jun 2013
<b>Validators:</b>	P. Choynowski, Consultant F. D. De Guzman, Senior Evaluation Officer, IED2	<b>Peer Reviewer:</b>	E. Kwon, Principal Evaluation Specialist, IED2	
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ADB = Asian Development Bank; ADF = Asian Development Fund; ICT = information and communication technology; IED2 = Independent Evaluation Department, Division 2; NDF = Nordic Development Fund; OCR = ordinary capital resources; OFID = OPEC Fund for International Development; PCR = project completion report.

## I. PROJECT DESCRIPTION

### A. Rationale

1. According to the report and recommendation of the President (RRP),<sup>1</sup> the Lao People's Democratic Republic (Lao PDR) is landlocked, poor, mountainous, and sparsely populated. Most of the poor lived in rural areas with limited access to social services and markets. Transport was almost exclusively by road, which carried about 70% of freight and 90% of passengers. Density of the road network was low and 4 of the 18 provincial capitals had no all-weather links. Only 14% of the road network was paved, including about half of the national road system. Other roads had gravel or earth surfaces and much of the local network was impassable during the wet season. Fatalities from road accidents in the Lao PDR rose 245% from 1991 to 1999 and road accidents increased by 176%. The number of road fatalities was the highest among Southeast Asian countries, with almost 20 persons per 10,000 vehicles.

<sup>1</sup> ADB. 1999. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Lao People's Democratic Republic for the Roads for Rural Development Project*. Manila.

2. The government prioritized the improvement of the road transport system, mainly to facilitate movement of products. Improvement of road access to districts was part of the National Poverty Eradication Program. The strategy of the Asian Development Bank (ADB) for the road subsector in the Lao PDR proposed that ADB focus on rural development for the medium term by increasing access of rural areas to markets, prioritizing provinces with poor connections to the main network and completing missing links in the road network.<sup>2</sup> This focus was consistent with the National Poverty Eradication Program and the Northern Region Infrastructure Development Strategy that was being prepared under ADB technical assistance at that time.<sup>3</sup>

3. The areas served by the rural roads proposed for upgrading were among the poorest in the Lao PDR in access to health care, education, and other services. Each road selected was expected to improve access to 1 of the priority 47 poorest districts in the country. Most of the local people in the project area had high levels of disease, malnutrition, and illiteracy. Few of these areas had access to safe water, sanitation, and electricity.

## **B. Expected Impact**

4. The goal of the project was to induce economic development and social integration, thereby reducing poverty by connecting all district and provincial centers in the Lao PDR to each other and to the national economy. The project framework's wording in the project completion report (PCR) was to "facilitate economic and social integration of isolated areas and populations to promote overall economic growth and poverty reduction."<sup>4</sup> Performance indicators were increased economic growth leading to at least 20% higher income in the project zone of influence and reduced incidence of rural poverty in the zone of influence.

## **C. Objectives or Expected Outcome**

5. The project's expected outcome was increased access to adequate, reliable, affordable, and safe all-year road transport in remote rural regions. Outcome indicators were (i) upgrade of about 290 kilometers (km) of roads to all-weather standard; (ii) extension of transport services along project roads; (iii) reduction in average vehicle operating costs (VOCs) on project roads by about 60% for cars and 30% for trucks; (iv) reduction in bus fares by an average of 10% and freight rates by 20% in real terms, within 2 years of completing improvement works; and (v) completion of a road safety audit for each project road before commencing civil works and implementation of recommendations before the end of construction.

## **D. Outputs**

6. The project had seven intended outputs. The first output pertained to rehabilitation of roads to agreed design standards. Roads were to be identified by screening based on various criteria. Five roads were selected for upgrading: (i) Xaisetha–Sanxai road in Attapeu Province; (ii) Pakxane–Thasi road in Borikhamxay Province; (iii) Pakton–Ban Vang road in Vientiane Province; (iv) Hongsa–Thaxoan road in Sayabury Province; and (v) Sayabury–Hongsa–

<sup>2</sup> ADB. 2001. *Transport Sector Development: A Medium-Term Transport Strategy for the Lao People's Democratic Republic*. Manila.

<sup>3</sup> ADB. 2002. *Northern Region Strategy Action Plan*. Manila.

<sup>4</sup> ADB. 2014. *Completion Report: Roads for Rural Development Project in Lao People's Democratic Republic*. Manila.

Thaxoan road in Sayabury Province. The second output involved the resettlement and full compensation of affected households and individuals.

7. The third output was priority periodic maintenance, valued at \$2 million, through the Road Maintenance Fund. The fourth output was the implementation of a Social Action Plan to consist of community development plans for ethnic minorities on two roads, and a resource management plan for non-timber forest products for one road. All roads had to have a program to secure land tenure, a community road safety awareness program, and programs for awareness and prevention of HIV/AIDs and human trafficking.

8. The fifth output was implementation of project preparation services to include consulting services for preparing and documenting implementation of project roads, and completing feasibility studies and engineering documentation for two future projects. The sixth output was strengthening of social and environmental management administration that was to include implementing a capacity-building program. The last output was the commencement of the initial implementation of an action plan for the road safety program.

## **E. Provision of Inputs**

9. The total project cost at the time of approval was \$39.2 million. The foreign exchange cost was estimated at \$27.6 million, about 70% of the total cost, while the local currency cost was estimated at \$11.6 million. The actual total project cost was \$49.5 million, \$10.3 million higher than appraisal estimates. This higher project cost was caused by the government's decisions to change the design gradients on steep road sections and upgrade all designed gravel roads to double bituminous surface treatment or paved gravel standard.

10. ADB was to provide a \$17.7 million loan from its Asian Development Fund special resources. The loan was to finance about 58% of the foreign exchange costs and about 14% of the local currency costs. The government was to finance about 71% of the local currency cost. The Organization of Petroleum Exporting Countries Fund for International Development was to cofinance \$6.0 million of foreign exchange costs of civil works construction for the Pakxane–Thasi Road. The Nordic Development Fund was to provide \$7.3 million to cofinance part of the cost of the consulting services and finance about 20% of the foreign exchange costs and about 16% of the local currency costs. The Lao PDR, as the borrower, was to make the loan proceeds available to the executing agency through budgetary allocations. The project was financed as envisioned at appraisal. The government largely funded the increase in total project cost and a supplementary credit of €1.5 million was approved by the Nordic Development Fund to cover a shortfall in civil works funding.

11. The project was classified category B under ADB environment categorization requirements. A summary initial environmental examination was prepared in 2004. The PCR indicated that project environmental management plans, community environmental plans, and surplus materials disposal plans were successfully implemented. All civil works were satisfactorily managed in accordance with environmental standards. It also indicated that environmental mitigation was done under all contracts. The Social and Environmental Division of the Department of Roads (DOR) and a consultant carried out environmental monitoring activities.

12. At appraisal, it was anticipated that work on the Pakxane–Ban Thasi, Xaisetha–Sanxai, and Sayabury–Hongsa roads would require acquiring 4.08 hectares (ha) of land, comprising 2.32 ha of rice paddy land and 1.76 ha of homestead land. The project was expected to affect

328 households, including 117 houses, 2 village offices, 37 small shops, and 45 rice bins, all of which were to be relocated within the same villages. Also, 76 trees were to be cleared from construction corridors.

13. During implementation, only 187 persons were affected compared with the estimated 328 at appraisal. The PCR indicated that the remainder of the expected number of affected persons was either not affected or withdrew voluntarily. Some affected persons elected to make voluntary contributions of affected land. The actual resettlement compensation payment of \$83,500 was considerably lower than the appraisal estimate of \$200,000. All resettlement activities were completed in advance of civil works commencement and all compensation was paid.

14. The PCR also indicated that a few ethnic minority groups affected by the project (25 individuals) lived along the Sayabury–Hongsa and Xaisetha–Sanxai roads, thus special attention was given to identifying and addressing their special needs. The resettlement plans for these two roads each included a community development plan prepared in accordance with ADB's Policy on Indigenous Peoples. The PCR likewise indicated that no indigenous people were negatively affected by the project.

15. At appraisal, about 188 person-months of international consultants and about 1,589 person-months of domestic consultants were expected to be needed. The PCR did not provide information on the number of person-months actually engaged on the project. There was no advisory technical assistance associated with the project.

## **F. Implementation Arrangements**

16. Implementation largely followed arrangements expected at appraisal. The Ministry of Communications, Transport, Post, and Construction was to be the executing agency, while DOR was to be the implementing agency. A project management unit headed by a project manager was to manage the project. At appraisal, the Ministry of Communications, Transport, Post, and Construction, appointed a full-time project manager to be responsible for project supervision and accountable to the director general in DOR.

17. The provincial offices of the Department of Public Works and Transport covered by the project's implementation were to provide counterparts to help the project management unit. The engineer's representative for civil works was to be the team leader of the construction supervision consultants and was to support the project management unit. The project was to be implemented over 7.5 years and was expected to be completed by 31 December 2011. The loan and project agreements contained 29 covenants of which 8 were considered not applicable. The rest were all complied with.

## **II. EVALUATION OF PERFORMANCE AND RATINGS**

### **A. Relevance of Design and Formulation**

18. The PCR rated the project *highly relevant* to government and ADB policies and strategies to provide rural poor people with better access to markets, jobs, and social facilities and, thus, contribute to economic growth and poverty reduction.<sup>5</sup> It indicated that the project was sound and was based on extensive analysis and evaluation, including participation of

<sup>5</sup> ADB. 2003. *Country Strategy and Program: Lao People's Democratic Republic, 2004–2008*. Manila.

stakeholders. Likewise, lessons learned from previous projects involving rural roads and rural development were incorporated in the project design. The financing instruments chosen were considered appropriate in providing balanced inputs from cofinancing partners and other development partner agencies, community groups, and nongovernment organizations.

19. This validation is of the view that the project preparatory technical assistance<sup>6</sup> was well executed and provided a solid base for project formulation. Roads for the project were identified through initial screening based on provincial priorities, poverty indicators, and links to the national road network. The screening was further refined using a multicriteria analysis that considered traffic, impact on poverty, agricultural potential, and links to the national road network, among others. Based on these, this validation rates the project *highly relevant*.

## **B. Effectiveness in Achieving Project Outcome and Outputs**

20. The PCR rated the project *effective*. It indicated that the project achieved its intended outcome of increasing access to road transport with the upgrading of 226 km of paved gravel rural roads against a target of 186 km of paved gravel roads. Also, 61 km of gravel roads were built against a total target of 103 km. Total length of roads rehabilitated was 287 km against a target of 290 km. The small shortfall was because of road alignments and was compensated by an additional 40 km of gravel roads upgraded to paved gravel standard.

21. The PCR also indicated that the improved pavement standards were to generate savings in VOCs and travel time of road users. It noted significant new agricultural, commercial, and residential development occurring along all project roads and the increased size of village commercial centers. Average reduction of VOCs for cars was estimated at 26%, for medium-sized trucks at 24%, and for medium-sized buses at 44%. Price reductions in bus fares were 14%–40% on longer journeys with no change on the Sayabury–Hongsa road. No data on freight rates were available. Feasibility studies were prepared during project preparation under another ADB-financed road project; and engineering designs were reviewed and finalized under the project and procurement was documented. Feasibility studies and engineering documentation for the ongoing Northern Greater Mekong Subregion Transport Network Improvement project were also prepared during implementation. Road safety audits were conducted on the project roads and recommendations were implemented. However, operation and implementation of axle load control, forestry checkpoints, and the issue of land-use rights certificates outputs were not achieved.

22. The PCR indicated that periodic maintenance was achieved on schedule with repairs to structures and box culverts along 139 km of national road 2W. Local private companies and the government signed performance-based 3-year periodic maintenance contracts with a total budget of \$7.4 million. Labor-based contracts for routine maintenance budget funds were established at a cost of \$33,000. The road safety program achieved all expected outputs, including legislation to establish the National Road Safety Committee and secretariat and the Road Safety Fund. Implementation of the National Road Safety Strategy and Action Plan was achieved, provincial road safety committees were established, a road accident data system was introduced, and a training program completed. The Social Action Plan was successfully implemented and no cases of human trafficking were associated with the project's civil works program. The PCR noted that social and environmental management administration was strengthened. A capacity-building program was implemented in the Ministry of Public Works

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<sup>6</sup> ADB. 2001. *Technical Assistance to the Lao People's Democratic Republic for Preparing the Roads for Rural Development Project*. Manila.

and Transport (MPWT) and a group of 10 ministry project staff took 11-week courses in contract and environmental management in Denmark. Based on these, this validation rates the project *effective*.

### **C. Efficiency of Resource Use in Achieving Outcome and Outputs**

23. The PCR rated the project *efficient*. It recalculated the economic internal rate of return (EIRR) at 20.8%, higher than the 17.8% estimated during appraisal. The 20.8% figure excludes the Xaisetha–Sanxai road. If this road was to be included, the EIRR would fall to 18%. The major benefits were related to cost savings to road users. The range of EIRRs for the separate road sections was 15.8% to 23.2%. A sensitivity analysis indicated that the base-case EIRR remained above the 12% benchmark when benefits were reduced by up to 38%, thus suggesting that the project was robust.

24. In this validation's view, there were several shortcomings in recalculating the EIRR. The analysis should have used 2014 prices so that costs could have been better compared with benefits. It is also standard practice to use prices of the year during which the calculation is made. The EIRR recalculation assumed a standard conversion factor of 85%, implying that border price was the numeraire. The PCR suggested that all costs and benefits were adjusted by the standard conversion factor. However, benefits and costs were not disaggregated into tradables and nontradables; only nontradables should have been adjusted by the standard conversion factor. It was not clear how economic benefits of generated traffic were valued. The economic benefit of generated traffic should have been measured by willingness to pay, which did not seem to be the case.

25. Process efficiency was not explicitly discussed in the PCR. However, the PCR's discussion of project implementation implied that there were no major issues and that process was relatively efficient. The PCR indicated that the project implementation period was 7.5 years, 6 months less than envisaged at appraisal. Moreover, shortcomings in the economic analysis in the PCR should not adversely affect the recalculated EIRRs. Thus, this validation rates the project *efficient*.

### **D. Preliminary Assessment of Sustainability**

26. The PCR rated the project road sections *likely sustainable* in view of the government's implementation of an effective road maintenance funding mechanism and annual budget allocations to provincial governments for rural road maintenance. The project completion review mission visits found that most project road sections were being maintained under the 3-year performance-based contracts for periodic and routine maintenance and supervision of the respective provincial departments of Public Works and Transport. The PCR did not discuss the institutional capacity of DOR or the private sector companies that were engaged to maintain project roads. Nonetheless, this validation rates the project *likely sustainable*.

### **E. Impact**

27. The PCR did not rate impact. It noted that project environmental management plans, community environmental plans, and surplus materials disposal plans were successfully implemented and all civil works were satisfactorily managed environmentally. Household incomes of the general population increased 13% between fiscal years 2009 and 2011 and would have likely exceeded the project framework target of 20% had baseline data been collected before commencing civil works. Poverty indicators for the project area were not



available but anecdotal evidence suggested an increase in agricultural, commercial, and residential activity along most road sections, which would have led to an improvement in poverty indicators. New agricultural developments also appeared. Given the lack of firm evidence of economic and social impact of the project, this validation rates project impact *moderate*.

### III. OTHER PERFORMANCE ASSESSMENTS

#### A. Performance of the Borrower and Executing Agency

28. The PCR rated the performance of the borrower and the executing agency *satisfactory*. The MPWT satisfactorily followed ADB procedures for procuring goods and equipment and coordinated well the activities of the provincial offices of DOR and the ministry. The PCR also noted that the MPWT handled the nonperformance of several civil works contractors in a timely manner. Likewise, the MPWT increased financing support for additional pavement to reduce road maintenance costs and continued to maintain project roads after completion. It also continued to implement road safety action plans and manage the road accident information system. Engineering and technical skills of the executing and implementing agency were found to be adequate for sound project implementation. Project administration staff in DOR and the provincial department of the MPWT developed stronger implementation capacity as a result of the project. Given these, this validation rates the performance of the borrower and executing agency *satisfactory*.

#### B. Performance of the Asian Development Bank

29. The PCR rated ADB's performance *satisfactory*. An inception mission was conducted 4 months after loan effectiveness. ADB undertook 14 review missions, including several joint missions with staff of the Nordic Development Fund, to monitor, supervise, and administer the project. ADB was able to provide advice on technical issues; procurement procedures; bid preparation, documentation, and evaluation; civil works quality assurance; and loan administration. The PCR indicated that ADB responded adequately to requests to reallocate loan proceeds, including those related to cofinancing loans and additional government project cost contributions; requests to approve contract variations; and issues raised in review mission memorandums of understanding. It also noted that ADB facilitated the resolution of procurement and contracting delays. Based on these, this validation rates ADB performance *satisfactory*.

### IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

#### A. Overall Assessment and Ratings

30. The PCR rated the project *successful*. This validation has similar ratings as the PCR and also rates the project *successful* (see table). The project was *highly relevant*, and addressed the economic and social development issues and poverty issues of the rural areas. It was consistent with the strategies of ADB and the government. The project achieved almost all expected outcomes and outputs and was *effective* and *efficient* in the process. Road maintenance funding was ensured through budgetary allocations and 3-year periodic maintenance contracts. Therefore, the project is *likely sustainable*. Although the PCR did not rate the project's impact, a moderate impact at least in both economic and social levels is most likely. There was little firm evidence to substantiate a more positive rating. The performances of the borrower, the executing agency, and ADB were *satisfactory*.

### Overall Ratings

Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Relevance:	Highly relevant	Highly relevant	
Effectiveness in achieving project outcome and outputs:	Effective	Effective	
Efficiency in achieving outcome and outputs:	Efficient	Efficient	
Preliminary assessment of sustainability:	Likely sustainable	Likely sustainable	
<b>Overall assessment:</b>	<b>Successful</b>	<b>Successful</b>	
Borrower and executing agency:	Satisfactory	Satisfactory	
Performance of ADB:	Satisfactory	Satisfactory	
Impact:	Not rated	Moderate	
Quality of PCR:		Satisfactory	Refer to para. 38.

ADB = Asian Development Bank, IED = Independent Evaluation Department, PCR = project completion report.  
Source: ADB Independent Evaluation Department.

## B. Lessons

31. The PCR identified four lessons. The primary lesson was the benefit of advanced design and readiness of tender documents for civil works. This allowed for early contracting and mobilizing of civil works, ensuring achievement of loan completion dates. The PCR also highlighted the difficulty of accurately assessing the full economic impact and poverty reduction benefits of the project because of delays in conducting baseline benefit monitoring. The lesson was the need to ensure the immediate commencement of baseline data measurement before starting civil works and the need to include benefit monitoring and evaluation capacity building and training with executing agencies at both national and provincial levels.

32. Project implementation delays in civil works indicated the need to identify and replace nonperforming contractors at an early stage and to scrutinize more carefully the financial, management, and equipment capacity of bidders during bid evaluation. The PCR also suggested that rural road projects should integrate with complementary agricultural development programs such as the Sanxai coffee estate developments under the International Fund for Agricultural Development project. However, this issue was not discussed in the PCR. This validation supports these lessons and has no additional lesson to offer.

## C. Recommendations for Follow-Up

33. The PCR recommended that DOR should be encouraged to conduct annual traffic counts and sample surveys of project roads to provide continuing project impact data that should be integrated into a road asset management system. It also recommended a follow-up for the covenant pertaining to the three forest product checkpoints and vehicle weigh stations to ensure that these facilities are transferred from DOR to the Department of Transport in accordance with government policy. ADB should follow up on the covenant that the borrower provide annual reports on the status of load enforcement measures; incidence of vehicle overloading; and movement of forest products, endangered species, and rare wildlife.

34. Consideration should also be given to providing capacity-building support to the executing agency under ongoing ADB-financed road projects to develop benefit monitoring and evaluation capacity and capacity for road maintenance management under the project preparatory technical assistance for Road Sector Governance and Maintenance.<sup>7</sup> The PCR highlighted the need to limit the geographic spread of individual road segments to reduce travel time, costs for project implementation and supervision, and help focus resources on social action plans and community development plans. This validation finds these recommendations appropriate.

35. Given the poor record of implementing the project performance monitoring system in this project and others financed by ADB, this validation observes that covenanting project performance monitoring systems in the loan and project documents is insufficient to ensure compliance with the requirement. In particular, this validation suggests that the requirement for a project performance monitoring system be included in the design and monitoring framework as an outcome or, at least, an output. In this way, project success will depend, in part, on satisfactory implementation of the project performance monitoring system and ensure that evidence of project outcomes and impacts and data for EIRR calculations are available.

## **V. OTHER CONSIDERATIONS AND FOLLOW-UP**

### **A. Monitoring and Evaluation Design, Implementation, and Utilization**

36. According to the RRP, the executing agency was to establish a project performance monitoring system in accordance with ADB's Project Performance Management System Handbook. Initially, the monitoring system was to develop and conduct sample surveys to establish baseline data for subsequent monitoring of performance and generate baseline data on pre-project social and economic living conditions for direct project beneficiaries. A second survey, to be implemented upon project completion, was to measure impacts. A third survey was to measure subsequent impacts to be conducted no later than 2 years after project completion. A set of indicators was to be developed to assess how improved accessibility affects the area. Indicators were to reflect transport costs, tariffs, mobility, agricultural productivity, economic activity, and indicators of health and education. Development impacts on the poor were to receive particular attention.

37. The PCR indicated late compliance with the covenant for the project performance monitoring system. ADB approved the benefit monitoring and evaluation program on 10 April 2008. A baseline survey commenced in November 2008, and the inputs of the baseline survey data were completed in July 2009. Consultants conducted and completed the benefit monitoring and evaluation in March 2011 and the report was provided in April 2011. It was not clear whether the second and third surveys were completed, although the PCR stated that data from the benefit monitoring and evaluation system was generally unavailable. The PCR did not discuss the project performance monitoring system and, therefore, it was not possible to assess its design, implementation, and utilization.

### **B. Comments on Project Completion Report Quality**

38. The PCR was clearly presented, logically consistent, and followed ADB guidelines. However, this validation notes a few inadequacies in the assessments of the efficiency and the sustainability criteria with regard to the shadow pricing of subproject inputs and outputs, and

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<sup>7</sup> ADB. 2013. *Technical Assistance to the Lao People's Democratic Republic for Road Maintenance*. Manila.

the presentation of benefits. Discussion of process efficiency was absent. The PCR also provided few details on and discussion of the issues affecting sustainability. On the whole, this validation rates the PCR quality *satisfactory*.

**C. Data Sources for Validation**

39. Data sources included the RRP, PCR, and loan review mission reports.

**D. Recommendation for Independent Evaluation Department Follow-Up**

40. The PCR did not suggest a schedule for conducting a project performance evaluation report. Given the lack of evidence of economic and social impacts of the project, this validation suggests that a project performance evaluation report be prepared in 2015 when the third impact survey is completed.