



Report and Recommendation of the President to the Board of Directors

Project Number: 47086
October 2014

Proposed Loan Republic of the Union of Myanmar: Maubin– Phyapon Road Rehabilitation Project

Disclosure of this document is restricted until it has been approved by the Board of Directors. Following such approval, ADB will disclose the document to the public in accordance with ADB's Public Communication Policy 2011.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 30 October 2014)

Currency unit – kyat (MK)

MK1.00 = \$0.0009

\$1.00 = MK1,009

ABBREVIATIONS

ADB	–	Asian Development Bank
km	–	kilometer
m	–	meter
MOC	–	Ministry of Construction
SDR	–	special drawing right

NOTES

- (i) The fiscal year of the Government of the Republic of the Union of Myanmar and its agencies ends on 31 March. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2014 ends on 31 March 2014
- (ii) In this report, “\$” refers to US dollars, unless otherwise stated.

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PROJECT AT A GLANCE

1. Basic Data		Project Number: 47086-002	
Project Name	Maubin-Phyapon Road Rehabilitation Project	Department /Division	SERD/SETC
Country Borrower	Republic of the Union of Myanmar Republic of the Union of Myanmar	Executing Agency	Ministry of Construction
2. Sector		ADB Financing (\$ million)	
✓ Transport	Subsector(s) Road transport (non-urban)		80.00
		Total	80.00
3. Strategic Agenda		Climate Change Information	
Inclusive economic growth (IEG)	Subcomponents Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
4. Drivers of Change		Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Components Institutional development	Some gender elements (SGE)	✓
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Rural Urban	High Low
6. Risk Categorization:		Complex	
7. Safeguard Categorization		Environment: B Involuntary Resettlement: B Indigenous Peoples: C	
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		80.00	
Sovereign Project loan: Asian Development Fund		80.00	
Cofinancing		0.00	
None		0.00	
Counterpart		0.80	
Government		0.80	
Total		80.80	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		No	

95°00'E

96°00'E

MYANMAR MAUBIN-PHYAPON ROAD REHABILITATION PROJECT



0 25 50 75 100



Kilometers

-  National Capital
 -  Provincial Capital
 -  City/Town
 -  Project Road
 -  Road
 -  River
 -  Provincial Boundary
 -  International Boundary
- Boundaries are not necessarily authoritative.



BAGO
DIVISION

YANGON
DIVISION

AYEYARWADDY
DIVISION

17°00'N

17°00'N

16°00'N

16°00'N

Mouth of the Ayeyarwaddy

95°00'E

96°00'E

This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan to the Republic of the Union of Myanmar for the Maubin–Phyapon Road Rehabilitation Project.¹

2. Access to the agriculturally rich Ayeyarwaddy Delta is currently poor, restraining economic growth for the region. Improvements to the key Maubin–Phyapon road link will dramatically improve connectivity, reduce travel times, and support economic development in the area, lifting many in this poor region of Myanmar out of poverty. The project will rehabilitate a key north–south 54.5-kilometer (km) section of road to two lanes with shoulders of appropriate width, suitable for all standard highway traffic.²

II. THE PROJECT

A. Rationale

3. Much of Myanmar’s primary road network is in poor condition, a consequence of several decades of low investment in new construction, rehabilitation, and maintenance activities. As the country’s economy begins to react to the political and economic changes that commenced in 2011, the road network’s condition will increasingly become an impediment to economic and social development, particularly in remote rural areas such as the Ayeyarwaddy Delta.

4. The Ayeyarwaddy Delta is Myanmar’s principal rice production region and has the potential for large-scale agribusiness and seafood industries. Although served by an extensive inland waterway network, the economic activities of the region depend heavily on its existing core road network. This network has largely fallen into disrepair, with much of it beyond conventional maintenance treatments. As a consequence, much of the network requires complete reconstruction.

5. An important link in this network is the road from Maubin to Phyapon, which traverses the rich agricultural area on the southeastern side of the delta. The lack of an effective road system is a significant constraint to economic growth and development. Cash crops and high-value seafood are not yet viable industries as the travel times along the existing road network place the primary market of Yangon effectively out of reach. The project road would improve the north–south road link connection in the delta and connect with the major east–west road leading to Yangon. Improvements to the core road network would allow this highly productive region to realize its economic potential and greatly enhance its agricultural and seafood industries. Rehabilitation of the Maubin–Phyapon road would improve access to this densely populated, poor, but productive agricultural area.

6. The region’s road network was badly impacted by Cyclone Nargis, which made landfall in the Ayeyarwaddy region on 2 May 2008. While the cyclone and associated storm surges damaged some of the road network, damage also resulted from the relief efforts with

¹ The design and monitoring framework is in Appendix 1.

² ADB provided project preparatory technical assistance. ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar for Capacity Building Support for Project Identification*. Manila (TA 8251-MYA, approved on 10 December for \$1,500,000). Resources from this technical assistance were used to undertake due diligence on the project. ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila; ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

overloaded trucks delivering supplies and humanitarian aid, causing significant and long-term damage to the roads, especially along the Maubin to Phyapon road section.

7. The Maubin–Phyapon road is the principal north–south artery on the eastern edge of the Ayeyarwaddy Delta and provides an essential transport link connection to economic, health, education, and employment opportunities. Traffic volumes in the area are currently moderate, but are likely to increase rapidly as the country’s economic liberalization program extends into the hinterland. Freight traffic along the road is currently low due to weight restrictions at a key bridge along the road. By providing landing points at the numerous locations where waterways meet the road, the agricultural hinterland of this part of the delta region could be made more accessible, and the lives of many of the region’s poor could be improved through increased opportunities for income generation and improved rural livelihoods.

8. The proposed project fully supports the strategic thrusts of the Interim Country Partnership Strategy, 2012–2014 for Myanmar.³ The project supports the findings of the Myanmar Transport Sector Initial Assessment of the need for improved road maintenance and rehabilitation coupled with capacity development of government staff.⁴ To support the government with this priority project to improve connectivity to the delta region, financing through an Asian Development Fund loan from ADB will be provided. The project, one of the first for ADB in Myanmar since reengagement in 2012, includes a number of safeguard requirements which are not complex in nature. In addition, the project provides ADB an opportunity to work with the government to ensure a better understanding and compliance with ADB’s and other development partners’ systems and procedures for lending assistance.⁵

9. The project will form part of a broader engagement with the government in the road subsector, and will be used as a pilot project to demonstrate best practices as part of the broader capacity development program.⁶ The support will help institutional and capacity development of Public Works, a department of the Ministry of Construction (MOC).

B. Impact and Outcome

10. The project impact will be improved economic opportunities in the eastern seaboard of the Ayeyarwaddy Delta. The project outcome will be reduced travel times and transport costs in the project area.⁷

C. Outputs

11. The project will have two outputs: (i) rehabilitated 54.5 km road from Maubin to Phyapon, and (ii) improved testing facilities at MOC and Public Works laboratories and offices.

12. **Output 1: Rehabilitated 54.5 kilometer road from Maubin to Phyapon.** The completed road will have two traffic lanes throughout its length, with about 50 km of flexible pavement through rural areas and about 4.5 km of rigid pavement through urban areas, specifically in the townships of Kyaiklat and Phyapon. The rehabilitation works will also include provision of a permanent two-lane superstructure for the existing Oo Yin Chaung bridge (Km. 25), replacement

³ ADB. 2012. *Myanmar: Interim Country Partnership Strategy, 2012–2014*. Manila.

⁴ ADB. 2012. *Myanmar Transport Sector Initial Assessment*. Manila.

⁵ Development Coordination (accessible from the list of linked documents in Appendix 2).

⁶ ADB. 2013. *Technical Assistance to the Republic of the Union of Myanmar: Developing the Asset Management Program for Myanmar Roads*. Manila (TA 8327-MYA approved on 20 February for \$1,365,000).

⁷ Footnote 1.

of the existing substandard Kyee Chaung bridge (Km. 28), and reconstruction of a bridge within Kyaiklat town. The output activities will include (i) civil works for road rehabilitation; and (ii) consulting services for construction supervision, including project management and implementation capacity development for Public Works. To ensure resilience against future cyclones, the road rehabilitation includes climate-resilient design components.

13. **Output 2: Improved testing facilities at Ministry of Construction and Public Works laboratories and offices.** The project will finance the purchase of (i) testing facilities for MOC and Public Works laboratories and offices, and for Yangon Road Research Laboratory; (ii) bridge testing equipment; and (iii) testing equipment at Public Works offices.

D. Investment and Financing

14. The project is estimated to cost SDR52,695,000 (\$80.8 million equivalent) (Table 1). Physical and price contingencies account for \$16.5 million equivalent and financing charges for the remaining \$1.6 million equivalent. The contribution of the government is estimated at \$0.8 million equivalent.

Table 1: Project Investment Plan
(\$ million)

Item	Amount ^a
A. Investment Costs^b	
1. Civil Works	55.2
2. Mechanical and Equipment	2.3
3. Environment and Social Mitigation	0.8
4. Construction Supervision and Project Implementation Support ^c	4.0
5. Incremental Administration Costs	0.4
Subtotal (A)	62.7
B. Contingencies^d	
1. Physical	6.3
2. Price	10.2
Subtotal (B)	16.5
C. Financing Charges During Implementation	
1. Interest During Implementation ^e	1.6
Subtotal (C)	1.6
Total Project Cost (A+B+C)	80.8

^a Includes taxes and duties of about \$3.6 million to be financed from Asian Development Bank (ADB) loan resources. The estimated taxes are reasonable as a proportion of the overall project cost, and their financing through the project loan will facilitate project implementation.

^b In March 2014 prices.

^c Constitutes consulting services.

^d Physical contingencies computed at 10.0% for all items. Price contingencies computed at 2.2% on foreign exchange costs in 2015, and 1.8% in 2016 and 2017; and 5.6% on local currency costs in 2014, 6.3% in 2015, and 5.2% in 2016 and 2017. The price contingencies include provision for the potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^e Interest during implementation will be financed by ADB.

Source: Asian Development Bank.

15. The government has requested a loan in various currencies equivalent to SDR52,695,000 (\$80.0 million equivalent) from ADB's Special Funds resources to help finance the project. The loan will have a 32-year term, including a grace period of 8 years, an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter, and such other terms and conditions set forth in the draft loan agreement. The government will finance the cost of resettlement, utility relocation, and replanting of roadside trees estimated at \$0.8 million

equivalent. The financing plan is provided in Table 2.

Table 2: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Special Fund resources (loan)	80.0	99.0
Government of Myanmar	0.8	1.0
Total	80.8	100.0

Source: Asian Development Bank.

E. Implementation Arrangements

16. The project's executing agency will be the MOC, and Public Works will be the implementing agency. Public Works will establish a project management unit that will be responsible for the day-to-day management of the project. The project management unit will be headed by a full-time project director of at least a superintendent engineer level, and will be staffed with engineering, financial, administrative, and safeguards specialists. The project management unit will be based in Nay Pyi Taw, with an appropriately staffed and resourced office within the project area.

17. The rehabilitation of the project road will be implemented through two civil works contracts covering (i) the section of the project road from Maubin to Km. 25, and (ii) the remaining length of the road to Phyapon, including within Kyaiklat and Phyapon towns. Each contract will include all works within its length. The Yangon Road Research Laboratory contract under the capacity development program will be procured under national competitive bidding procedures. All works contracts will be procured following procedures set out in ADB's Procurement Guidelines (2013, as amended from time to time). The government has requested that ADB's domestic preference provisions be applied for the project's civil works contracts.

18. The civil works contracts will be supervised by a construction supervision consultant, who will be the engineer for the contracts as defined in the contract documentation. The consultant will be an international consulting firm engaged in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) and working with a national consulting firm or directly with national specialists. The consultant will be recruited through quality- and cost-based selection. The scope of the services will include design review, construction supervision, and environment and resettlement monitoring. For the capacity development program under the project, the services will be provided by an international consultant working with national consultants, also engaged in accordance with ADB's Guidelines on the Use of Consultants.

19. The implementation arrangements are summarized in Table 3 and described in detail in the project administration manual.⁸

Table 3: Implementation Arrangements

Aspects	Arrangements
Implementation period	April 2015–March 2018
Estimated completion date	September 2018
Management	
(i) Executing agency	Ministry of Construction

⁸ Project Administration Manual (accessible from the list of linked documents in Appendix 2).

Aspects	Arrangements		
(ii) Implementing agency	Public Works, Ministry of Construction		
(iii) Implementation unit	Project Management Unit (Nat Pyi Taw and project area, 8 staff proposed)		
Procurement	International competitive bidding	2 contracts	\$60.0 million
	National competitive bidding	4 contracts	\$2.5 million
Consulting services	Construction supervision Quality- and cost-based selection	69 international person-months	\$4.0 million
		411 national person-months	
Advance contracting	Advance contracting for civil works and construction supervision		
Disbursement	The loan proceeds will be disbursed in accordance with the Asian Development Bank's <i>Loan Disbursement Handbook</i> (2012, as amended from time to time) and detailed arrangements agreed upon between the government and the Asian Development Bank.		

Source: Asian Development Bank.

III. DUE DILIGENCE

A. Technical

20. The road will follow the present alignment, with an offset of 2 meters (m) to 3 m left or right where necessary to avoid interfering with an existing telecommunications cable laid within or adjacent to the road embankment. The road will generally follow the existing vertical alignment, with some increase in height to improve (i) the clearance over seasonal flood levels, and (ii) possible future climate change-induced increases in river levels due to storm surge. The road cross section outside township areas will typically be 2 by 3.3 m traffic lane carriageway with surfaced shoulders on both sides, for use by nonmotorized traffic and pedestrians. The pavement will be flexible, with asphaltic concrete surfacing. The cross section within the townships will typically be 2 by 3.5 m traffic lane carriageway with a rigid unreinforced concrete pavement and unsurfaced shoulders.

21. The proposed pavement structures have been designed using appropriate design methods based on traffic projections on the road over a 20-year period following project completion, essentially from 2018 to 2038.⁹ The traffic projections are based on present traffic volumes, factoring in the likely rapid increase in traffic (in terms of traffic volume and loading) that will occur as Myanmar's economy grows as a result of economic liberalization.

B. Economic and Financial

22. The project has an economic internal rate of return of 12.9%, with a net present value of \$3.7 million at a 12% discount rate.¹⁰ The avoidance of road maintenance of the badly deteriorated road offsets 2.1% of the cost of the project. The two main benefits are (i) reduced vehicle operating costs (50.5% of the total benefits) and (ii) reduced travel time (39.0%), with other benefits being fewer accidents (6.6%), generated traffic benefits (3.9%), and less pollution

⁹ For the flexible pavement: ODA. 2013. *Transport Research Laboratory Road Note 31: A Guide to the Structural Design of Bitumen-Surfaced Roads in Tropical and Sub-tropical Countries*. London. (http://www.transport-links.org/transport_links/filearea/publications/1_716_Microsoft%20Word%20-%20Overseas%20Road%20Note%2031%20edit1.pdf).

¹⁰ Economic and Financial Analysis (accessible from the list of linked documents in Appendix 2).

(<1.0%). Additional benefits from avoidance of potential future flooding would improve the economic merit of the project. The executing agency is a general government sector unit, and the project is nonrevenue generating. The financial analysis concludes that the executing agency has sufficient financial capacity to cover the recurrent expenditures of maintaining and operating the project in a sustainable manner.

C. Governance

23. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and MOC. The specific policy requirements and supplementary measures are described in the project administration manual (footnote 8). The financial management assessment undertaken during project preparation reveals that while the MOC and Public Works are adequately qualified and staffed for financial management of development projects, they have no experience with ADB financial management policies and implementation procedures. Additional training with respect to ADB loan disbursement procedures and financial management practices for the accounting staff of MOC and Public Works is included in the scope of the supervision consulting services. With this additional support, the financial arrangements for the project are suitable for project implementation. In addition, the project will establish a financial management system to align donor assistance with modernization of the government's public finance management policies and procedures.¹¹ The MOC and Public Works will maintain project records and accounts that identify works and services financed from ADB loan proceeds, allowing the MOC to meet its objectives related to modernizing its financial management systems. Annual audits, in accordance with national auditing standards, will be undertaken by an independent auditor acceptable to ADB. Public disclosure of the project's financial statements, including annual audit reports, will be guided by ADB's Public Communications Policy (2011).

24. The government is committed to promoting good governance and addressing corruption. The Anticorruption Commission was formed in January 2013, and the Anticorruption Law was promulgated in July 2013.

D. Poverty and Social

25. Based on the social impact assessment undertaken in December 2013, the project supports poverty reduction and provides long-term positive impacts such as better access to basic facilities and services, faster and more convenient travel, and job opportunities for the local communities during construction. However, there are also adverse impacts such as physical and economic displacement of households due to clearance along the corridor of impact, and increased risks of HIV/AIDS transmission and human trafficking. To ensure that benefits are maximized and adverse impacts are addressed, a summary poverty reduction and social strategy has been prepared.¹² The gender categorization of the project is "some gender elements" and includes provisions for female labor, gender-sensitive design features such as road shoulders, and gender issues in the resettlement plan. The project is not considered to be within a conflict-affected area. However, conflict sensitive approaches and community consultations will be followed where appropriate in project implementation.¹³

¹¹ World Bank. 2014. *Modernization of Public Finance Management*. Washington, DC.

¹² Summary Poverty Reduction and Social Strategy (accessible from the list of linked documents in Appendix 2).

¹³ A conflict sensitivity advisor is based in the Myanmar Resident Mission to advise on ADB operations in Myanmar. ADB is preparing guidelines on conflict sensitive approaches for ADB work in Myanmar.

E. Safeguards

26. The project is categorized as B for environment and involuntary resettlement, and C for indigenous peoples in accordance with ADB's Safeguard Policy Statement (2009).

27. The project is not anticipated to cause significant adverse environmental impacts. The dominant land use along the project road is agricultural (primarily rice production). The road corridor is not within undisturbed landscapes, mangrove areas, or near environmentally protected areas. The project will not encroach on environmentally sensitive sites. An initial environmental examination has been prepared to meet the requirements of the Safeguard Policy Statement. An environmental management plan has been prepared as part of the initial environmental examination. The environmental management plan defines the institutional arrangements and responsibilities for its implementation, and includes an environmental training program for the MOC and Public Works to develop their capacity in environmental management. The environmental management plan is to be incorporated into the project's road rehabilitation civil works contract documentation. A grievance redress mechanism has been developed to facilitate resolution of construction-related environmental impacts.

28. The project identified 62 affected households and one government office within the corridor of impact, with some of the affected households relocated during project preparation. The affected households were consulted in 2014 and were informed about the proposed project, ADB's Safeguard Policy Statement, and proposed assistance due to displacement. A resettlement plan has been prepared, which includes corrective actions for those affected households who have already relocated, based on the tracer study carried out during project preparation. The project is categorized as C for indigenous peoples as the homogenous population is well integrated and the road does not directly impact on any indigenous peoples.

29. Training on social safeguards will be provided to the MOC, Public Works, and concerned local authorities under the construction supervision consultant contract and under a parallel technical assistance.¹⁴

30. In compliance with the Safeguard Policy Statement requirements on information disclosure and consultation, the initial environmental examination and resettlement plan will be posted on ADB's website before the project is considered by the ADB Board of Directors.

F. Risks and Mitigating Measures

31. Major risks and mitigating measures are summarized in Table 4 and described in detail in the risk assessment and risk management plan.¹⁵ The combined benefits of the project impacts are expected to outweigh the project costs.

Table 4: Summary of Risks and Mitigating Measures

Risks	Mitigating Measures
Implementation delays due to lack of familiarity with ADB guidelines and procedures on	ADB will provide support to the MOC and Public Works with advance procurement action to ensure bid contracts are prepared, advertised, evaluated, and assessed prior to loan effectiveness. Necessary capacity building for the procurement, engagement of consultants, disbursements, and financial management will be provided. The project implementation consultants will help

¹⁴ ADB. 2010. *Technical Assistance for Strengthening and Use of Country Safeguards Systems into Regional Cooperation*. Manila (TA 7566-REG approved on 26 July for \$9,000,000).

¹⁵ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

Risks	Mitigating Measures
procurement, recruitment of consultants, and disbursements.	the MOC and Public Works prepare reports following ADB guidelines and procedures. All disbursements for civil works and consulting services will be made to suppliers and consultants through direct payment by ADB to minimize exposure to weak banking systems in Myanmar.
Weak public financial management	The construction supervision consultants will provide support to the executing agency through the preparation of a financial management system for project management, financial management, and accountancy to prepare financial statements in accordance with ADB guidelines and procedures. The migration to a financial management system that builds on previous systems will meet the objectives of the MOC to modernize its financial systems. The financial management system development will work closely with the World Bank project for modernization of the government's public finance management and ensure consistency in approach and systems.
Procurement procedures unfamiliar with implementing agency	Procurement packages have been minimized to three contracts (two international competitive bidding and four national competitive bidding) to mitigate risks and to improve transparency. ADB is providing support to Public Works with advance procurement action in preparing, advertising, evaluating, and assessing bid contracts prior to loan effectiveness.
Limited experience with contract disbursement	Payments for works and consulting services will be disbursed directly by ADB. An imprest account will be established for incremental administration costs with a ceiling of \$80,000. Payments from the imprest account will require supporting documents in accordance with ADB's <i>Loan Disbursement Handbook</i> (2012, as amended from time to time).

ADB = Asian Development Bank, MOC = Ministry of Construction.

Source: Asian Development Bank estimates.

IV. ASSURANCES

32. The government and the MOC have assured ADB that implementation of the project shall conform to all applicable ADB policies including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement as described in detail in the project administration manual and loan documents.

33. The government and the MOC have agreed with ADB on certain covenants for the project, which are set forth in the loan agreement.

V. RECOMMENDATION

34. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the loan in various currencies equivalent to SDR52,695,000 to the Republic of the Union of Myanmar for the Maubin–Phyapon Road Rehabilitation Project, from ADB's Special Funds resources, with an interest charge at the rate of 1.0% per annum during the grace period and 1.5% per annum thereafter; for a term of 32 years, including a grace period of 8 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board.

Takehiko Nakao
President

30 October 2014

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Improved economic opportunities in the eastern seaboard of the Ayeyarwaddy Delta</p>	<p>By 2022 Agribusinesses set up in project area; three agricultural processing facilities established</p>	<p>National statistics Project benefit and monitoring and post-evaluation reports</p>	<p>Assumption The economic reform process within Myanmar continues</p> <p>Risk Motorization growth and trip generation assumptions are lower than predicted</p>
<p>Outcome Reduced travel times and transport costs in the project area</p>	<p>Travel time reduced by 20% by 2018 from current levels (3 hours in 2014)</p> <p>Vehicle operating costs for a large bus to decrease by 42% by 2018 (\$57 in 2014)</p> <p>Traffic volume on project road increased to over 3,000 vehicles per day by 2018 (95,000 average daily vehicle-km) (1,000 vehicles per day in 2014)</p>	<p>National statistics Project benefit and monitoring and post-evaluation reports</p>	<p>Assumption Road rehabilitation completed as intended, and connections improved</p> <p>Risk Contractors do not perform as intended</p>
<p>Outputs</p> <ol style="list-style-type: none"> 1. Rehabilitated 54.5 km road from Maubin to Phyapon 2. Improved testing facilities at MOC and Public Works laboratories and offices 	<p>54.5 km of road rehabilitated by 2018</p> <p>Public Works testing equipment is improved by 2018</p>	<p>Project progress reports</p> <p>ADB review missions</p> <p>ADB project completion report</p> <p>ADB project review missions</p> <p>ADB project completion report</p>	<p>Assumption Project road is constructed to the intended quality and schedule</p> <p>Risks Recruitment of contractors is delayed; contractors do not perform as required</p>

Activities with Milestones	Inputs
<p>1. Rehabilitated 54.5 km road from Maubin to Phyapon</p> <p>1.1 MOC completes resettlement activities within corridor of impact from 1 May 2014 to 31 December 2014</p> <p>1.2 MOC selects construction supervision consultants from 1 September 2014 to 31 March 2015</p> <p>1.3 MOC undertakes procurement of civil works contractors from 1 September 2014 to 31 March 2015</p> <p>1.4 MOC completes 54.5 km of road rehabilitation by 31 March 2018</p> <p>2. Improved testing facilities at MOC and Public Works laboratories and offices</p> <p>2.1 MOC acquires testing equipment for laboratories and offices from April 2015 to February 2016</p>	<p>ADB: \$80.0 million</p> <p>Government: \$0.8 million</p>

ADB = Asian Development Bank, MOC = Ministry of Construction, km = kilometer.
Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=47086-002-3>

1. Loan Agreement
2. Sector Assessment (Summary): Transport
3. Project Administration Manual
4. Contribution to the ADB Results Framework
5. Development Coordination
6. Economic and Financial Analysis
7. Country Economic Indicators
8. Summary Poverty Reduction and Social Strategy
9. Initial Environmental Examination
10. Resettlement Plan
11. Risk Assessment and Risk Management Plan

Supplementary Documents

12. Highway Engineering Report
13. Climate Change Risk Screening