

Ex-post Evaluation Report

2017-05

**Ex-post Evaluation of Mekong River
Integrated Management Project in
Laos**

December 2017

The Export-Import Bank of Korea

EDCF Evaluation Team

(Evaluated by Future Resources Institute)

This evaluation was entrusted to the external research team led by Evaluation Project Manager Sungje Park, director at the Future Resources Institute, for the purpose of conducting an independent assessment. The findings or statements contained herein do not necessarily reflect the official position of Korea Eximbank and EDCF.

Summary

1. Project Overview

○ (Purpose) The purpose of this project is to prevent floods and erosion damage through embankment construction, as well as to improve living conditions of residents by building riverside roads and parks, near the Mekong River in Vientiane.

○ (Background) The project site is the central part of Vientiane, the capital city of Laos, which is politically, economically and socially important. However, the country's poor flood management has led to frequent floods as well as ever-increasing land losses due to soil erosion in the Mekong riverside.

- As such, the Lao government established the mid- to long-term strategy for national development and poverty eradication in 2004, of which the Mekong riverside flood prevention and land management through embankment construction was set as one of the top priorities.
- The Lao government had a great interest in the Korean government's Han River development and management. In October 2005, Laos requested South Korea's help on the comprehensive measures for flood management and bank protection and then in May 2007 requested support from EDCF, i.e. ROK's representative ODA agency.

○ (Project Period) The initial planned period was 60 months starting from the effective date of the loan agreement, i.e. May 2008, finishing on the project completion date set forth in the completion certificate, i.e. May 2013. However, since the Lao government delayed resident migration and compensation and construction works were temporarily suspended due to various international events, the project period was lengthened to a total of 68 months.

○ (Target Area) Mekong riverside in central Vientiane

- Embankment: 12.2km section near the Mekong riverside (Tadthong - Papasak - President Palace - Donchan Palace - Australia Embassy Residence)

- Road: 2.97km section near the Mekong riverside (Mekong River Commission - Thatkhao)
- Park: 14.5ha area inside the embankment line (Vat Chan Temple - Presidential Palace)
- Port: Kao Liao Port

○ (Budget) This project used 99% of the Korean won loan limit determined under the Korean government's support policy. The final funding was successfully executed within the loan expenditure period (i.e. November 26, 2014).

(Unit: USD 1 Thousand)

Type	≻ Planned Amount	≻ Actual Expenditure	≻ Difference
Total Budget	49,020	44,733 ^{Note)}	△4,287
EDCF Support Amount	37,213	37,213	-

Note) The above difference is attributable to reduced construction and management costs of a migrant housing complex (i.e. the budget from the Lao government).

○ (Project Details) Embankment construction and reinforcement, riverside road construction, riverside park creation, riverside port improvement and consulting services

- (Embankment Construction and Reinforcement) Prevent flood damage by constructing and reinforcing the embankment of 8 to 15-meter in height in the 12.2km section nearby the Mekong riverside, Vientiane.
- (Riverside Road Construction) Reduce traffic congestion and improve residents' living conditions by constructing a 2.7km riverside road.
- (Riverside Park Creation) Expand the pre-existing riverside park from 3ha to 16ha and create functional space for a park, a riverside terrace and a memorial plaza.
- (Riverside Port Improvement) Improve the pre-existing port to form a port with gently sloped, paved stairs.
- (Consulting Service) Detailed design, preparation for bidding/support for evaluation,

construction supervision, project progress report, environmental impact assessment, compensation/migration monitoring and other report.

2. Evaluation by Criteria

○ (Purpose) To formulate more appropriate support strategies in the future, based on the success factors and limitations identified through an ex-post evaluation of the effectiveness, impact and sustainability of the Mekong River Integrated Management Project in Laos.

○ (Criteria) Based on the EDCF Ex-post Evaluation Report Guidelines and the Comprehensive Evaluation Guide by the evaluation subcommittee of the Korean Official Development Assistance, the 5 OECD DAC evaluation criteria (i.e. relevance, efficiency, effectiveness, impact and sustainability) as well as cross-cutting issues such as environment and gender equality were taken into account.

○ (Method) Assessed according to the matrix that was developed for project characteristics based on the 5 OECD/DAC evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability.

○ (Results) The final comprehensive rating was 3.72 points (total 18.6 points), so the project was evaluated as “very successful.”

Comprehensive Evaluation Table

Criteria	Weighting	Evaluation	Rating
Relevance	20%	Relevant	3.8
Efficiency	20%	Efficient	3.5
Effectiveness	20%	Very Effective	4.0
Impact	20%	High Impact	4.0
Sustainability	20%	Sustainable	3.3
Comprehensive Evaluation Rating		Very Successful	3.72

○ (Relevance) Relevance was evaluated based on (i) whether the project outputs are compatible with the partner country's development policies and strategies, (ii) whether the project plan is appropriate, (iii) whether the partner country actively participates in project design and implementation and (iv) whether the facility formation is appropriate. This project was found to be relevant.

- The project was evaluated to be very compatible with the recipient country's policies and donor country's support strategy as it improved local residents' quality of life through flood prevention bank construction, riverside park creation and riverside road construction.
- The frequency of floods in the Mekong riverside in Laos has increased since the 2000s. In particular, the Vientiane area was entirely waterlogged by floods in 1966 and 2008 which caused considerable damage. Therefore, the embankment construction along the Mekong River has been evaluated to be very appropriate.

○ (Efficiency) The project was evaluated to be efficient based on the appropriate implementation of the project plan and budget compared to the plan.

- Although the project period was initially expected to be 60 months, the construction period was extended by 2 months under the specific construction plan during the detailed design process and the due date for completion was postponed by 6 months from August 6, 2013 to February 28, 2014. As such, the total implementation period for the project was 68 months.
- The project was successfully completed within budget in spite of exterior constraints when actual expenditure was compared to the planned budget.

○ (Effectiveness) The project was found to be very effective after assessing the quantitative performance achievement as well as the short-, mid-, and long-term performance achievements.

- Quantitative performance evaluates the visible effects of constructing the flood prevention embankment, the riverside park and the riverside roads. The quantitative performance of the project was excellently accomplished.

- As for the short-term performance, the project expanded the flood prevention area and reduced soil losses. The mid- to long-term performances are more income from visitors and improved living conditions.
- In particular, the flood prevention embankment along the Mekong riverside showed great effects, protecting Vientiane from the 100-year floods.

○ (Impact) The project was evaluated to have a great impact taking into account that the social and economic conditions in society that were transformed by embankment and riverside park construction will, directly or indirectly, will change local community and residents for the long term.

- (Institutional Impact) Vientiane's river-related organization and system were greatly improved. The municipal government introduced or expanded a river-related organization and legislated laws, regulations and guidelines regarding river management.
- (Social and Economic Impact) The project area has emerged as the driving force for economic growth in Vientiane. The relevant area that had been frequently flooded in the past has rapidly developed and contributed to the city's expanding tourism industry.
- (Environmental Impact) There were almost no negative environmental impacts such as water quality pollution, erosion, noise and fugitive dust. Even as this project was conducted prior to amendment of the EDCF Safeguard (i.e. end of 2011), the project prepared measures against fugitive dust, which were highly praised as an effort to eliminate negative impacts on environment.
- (Other Impact) This project contributed to greatly improving the national image of South Korea in Laos. The project carried out in central Vientiane enabled local residents and related government officials to identify Korean constructors' outstanding skills and Korean equipment's excellence. Consequently, many Korean companies have participated in the follow-up river management projects since the Mekong River project.

○ (Sustainability) The project was found to be sustainable after assessing the technical and institutional capabilities required for maintenance of facilities after transferring the embankment and riverside park facilities to the recipient country.

- Vientiane's Department of Transportation is aware of the ownership of local facilities and is actively seeking measures for facility expansion and maintenance. The technical level of the current personnel is still low, but the local authority acknowledges the importance of facility maintenance and builds and operates the maintenance system.
- Administrative and institutional reshuffles are in progress for sustainable maintenance, but it is found that securing adequate budget is not available.

3. Lessons and Recommendations

○ (Lessons) The success factors for this project are (i) consistency during the project, (ii) local residence of the Project Manager and (iii) a close partnership with the recipient country. Furthermore, the recipient country's awareness of ownership and systematic project management are also important.

- (Success Factors) The biggest success factor for this project is that the project details such as area and scope progressed consistently from planning to completion without major changes. Additionally, the cooperative partnership formed between the Vientiane City and Isan Corporation allowed successful completion of the project.
- (Limitations) As for the lessons learned from the project's effective progress, it is important to secure objective baseline data and to prepare against environmental and social uncertainties. In addition, performance management systems, such as baseline survey and monitoring, should be strengthened in order to effectively evaluate EDCF projects.

○ (Recommendations) The maintenance area should be included in the project plan and the measures for unstable economic factors need to be prepared before project implementation.

- (Include Maintenance in Project Plan) Infrastructure projects offered to developing countries need to include technical supports for maintenance after completion of the project. Furthermore, for sustainability, the localizing strategy reflecting the needs of local residents should be promoted and systematic performance management and strengthened post-management monitoring are also required.
- (Measures for Unstable Economic Factors) Certain measures against unstable factors, like inflation and sudden minimum wage increase by the government in developing countries, should be prepared.

○ (Recommendations for Lao Government) The Lao government needs to legislate regulations and standards for comprehensive, systematic river management. Also, with enhanced water drainage system in the future, the Vientiane City will be able to complete the overall flood control measures.

- The riverside park is located in the Mekong riverside and is fundamentally prone to flooding. Therefore, Vientiane needs to designate this area as the flood vulnerable district to prepare against soaring water levels.