



Project Concept Paper

Project Number: 53372-001
February 2020

Proposed Loan and Grant Cambodia: Road Network Improvement Project, Phase 2

CURRENCY EQUIVALENTS
(as of 30 January 2020)

Currency unit	–	riel (KR)
KR1.00	=	\$0.00025
\$1.00	=	KR4,060

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
F-TRTA	–	transaction technical assistance facility
GAP	–	Gender Action Plan
GMS	–	Greater Mekong Subregion
HIV/AIDS	–	human immunodeficiency virus/ acquired immunodeficiency syndrome
km	–	kilometers
LCS	–	labor contracting society
MPWT	–	Ministry of Public Works and Transport
NR	–	national road
NTLMP	–	National Transport and Logistics Master Plan
PBRMC	–	performance-based road maintenance contract
PR	–	provincial road
RNIP	–	Road Network Improvement Project
SEC	–	Southern Economic Corridor

NOTE

In this report, "\$" refers to United States dollars.

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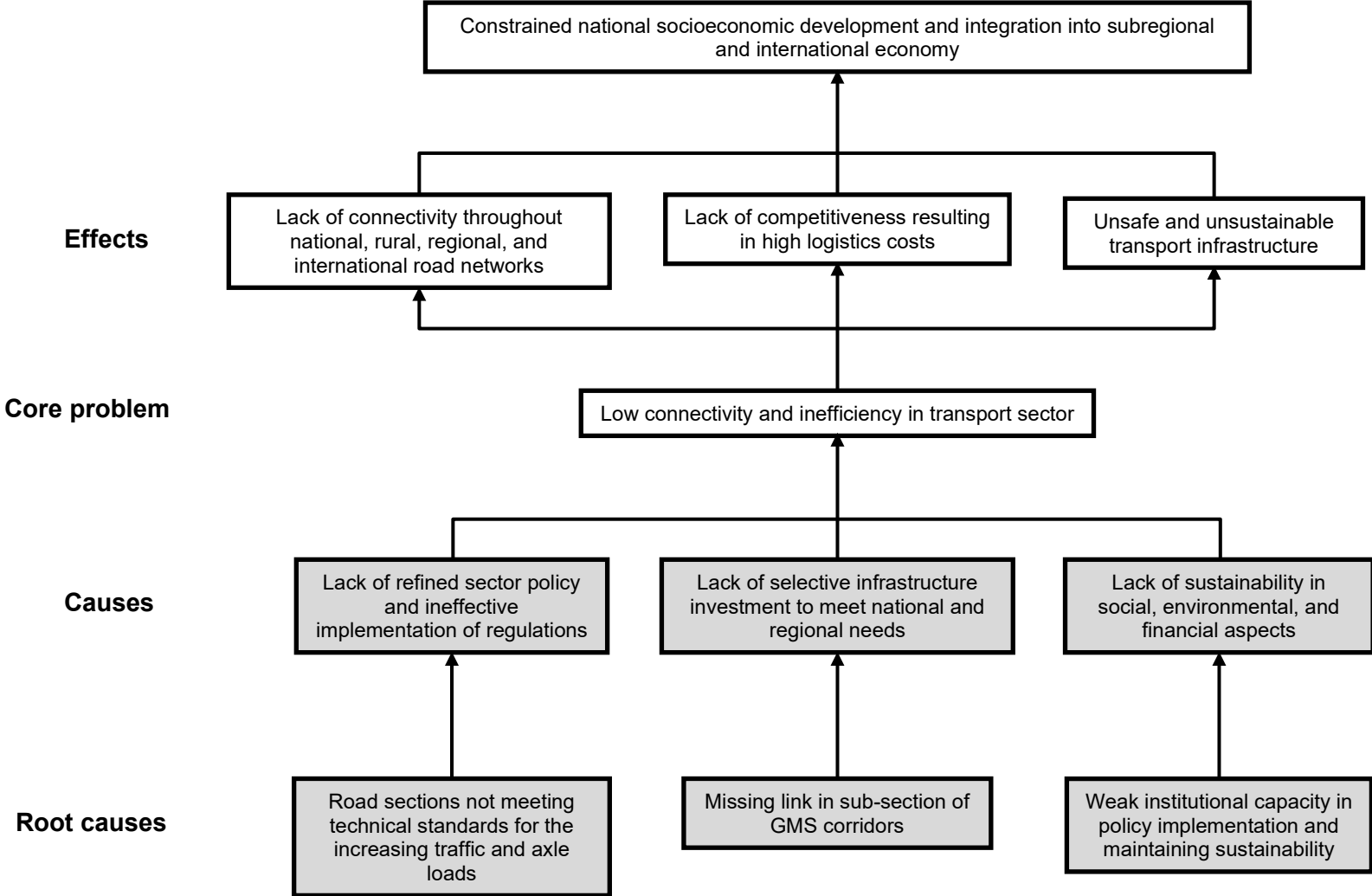
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PROJECT AT A GLANCE

1. Basic Data		Project Number: 53372-001	
Project Name	Road Network Improvement Project, Phase 2	Department/Division	SERD/SETC
Country	Cambodia	Executing Agency	Ministry of Public Works and Transport
Borrower	Cambodia		
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=53372-001-CEI		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=53372-001-PortAtaGlance		
2. Sector		Subsector(s)	
✓ Transport	Road transport (non-urban)		ADB Financing (\$ million)
			58.00
		Total	58.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities	Climate Change impact on the Project		Medium
✓ Accelerating progress in gender equality			
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability			
✓ Strengthening governance and institutional capacity			
✓ Fostering regional cooperation and integration			
Sustainable Development Goals		ADB Financing	
SDG 9.1	Adaptation (\$ million)		4.20
SDG 11.2			
SDG 13.a			
		Gender Equity and Mainstreaming	
		Effective gender mainstreaming (EGM) ✓	
		Poverty Targeting	
		Geographic Targeting ✓	
4. Risk Categorization:	Low		
5. Safeguard Categorization	Environment: B Involuntary Resettlement: B Indigenous Peoples: C		
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		58.00	
Sovereign Project grant: Asian Development Fund		1.20	
Sovereign Project (Concessional Loan): Ordinary capital resources		56.80	
Cofinancing		0.00	
None		0.00	
Counterpart		7.00	
Government		7.00	
Total		65.00	
Currency of ADB Financing: US Dollar			

PROBLEM TREE



GMS = Greater Mekong Subregion.

I. THE PROJECT

A. Rationale

1. The proposed project will support the government's transport sector priorities to enhance connectivity in the Greater Mekong Subregion (GMS) through improvement of national and provincial roads.¹ It will improve about 48 kilometers (km) of provincial and national roads to (i) provide safer and more cost-effective road network with all-year access to markets and other social services and (ii) facilitate trade and cooperation between Cambodia and the GMS, especially the neighboring country, Viet Nam.² It will also strengthen axle load control system, support sustainable road maintenance regime using performance-based road maintenance contract (PBRMC), and improve awareness of road safety.

2. According to ADB's 2019 Development Effectiveness Brief for Cambodia, the country's economy was one of the fastest growing in the world from 1999 to 2018, with an average growth rate of 8% per annum that was driven by garment exports, agriculture, and tourism. The poverty rate declined significantly from about 50% in 2007 to 13.5% in 2014 and the country attained lower middle-income status in early July 2016. However, more than 70% of Cambodians still live on less than \$3 a day and remain vulnerable to falling back into poverty. Cambodia made progress on other Millennium Development Goals, including reaching near-universal net enrollment in primary education and significantly reducing maternal mortality.³ The government has emphasized social stability and is keen to make Cambodia a technology driven, upper middle-income country by 2030.⁴

3. The transport sector plays an important role in promoting growth, employment, equity, and efficiency, as recognized in the government's Rectangular Strategy IV.⁵ Road transport is the principal mode for the movement of goods and people domestically in Cambodia and regionally between countries in the GMS. Roads are critical to social and economic development, especially in the rural areas where they are the only available transport mode. Domestically, roads provide access between cities and enhance rural connectivity to broader markets and economic opportunities.

4. Priorities under the GMS Transport Sector Strategy 2030 include upgrading of sections in the original alignment of the Southern Economic Corridor (SEC) in Cambodia.⁶ Rehabilitation and further development of the transport sector are being undertaken to improve access and connectivity, both domestically and subregionally, as part of the GMS initiative; and regionally, as part of the transport connectivity objectives of the Association of Southeast Asian Nations.

¹ The project is included in ADB's *Country Operations Business Plan (COBP), Cambodia, 2020-2022*, as the "Integrated Road Network Improvement Project" to be financed using multitranches financing facility. It has been renamed as "Road Network Improvement Project (RNIP), Phase 2", and will be delivered as a stand-alone project based on the request of the Ministry of Public Works and Transport (MPWT).

² The proposed project is the second loan under the RNIP series. The 48 km comprise national (NR23: 20 km) and provincial roads (PR312: 28 km).

³ ADB. 2019. *Development Effectiveness Brief: Cambodia and Asian Development Bank - Partnership for Inclusive Growth*. Manila.

⁴ ADB. 2019. *Country Partnership Strategy, Cambodia, 2019-2023*. Manila.

⁵ Government of Cambodia. 2018. *Rectangular Strategy for Growth, Employment, Equity and Efficiency: Building the Foundation Toward Realizing the Cambodia Vision 2050, Phase IV*. Phnom Penh.

⁶ ADB. 2018. *GMS Transport Sector Strategy 2030: Toward a Seamless, Efficient, Reliable, and Sustainable GMS Transport System*. Manila. The Strategy aims to achieve a seamless network of transport services that connect the whole subregion.

5. Cambodia ranked 98th out of 160 countries in the World Bank's logistics performance index (2018) and is taking steps to implement its logistics improvement masterplan. Large investments are needed to upgrade infrastructure. Although there has been considerable investment in transport infrastructure, 95% of rural roads and 70% of provincial roads remain unpaved. The Ministry of Public Works and Transport (MPWT) is responsible for the management of these national and provincial roads.

6. The key problems identified for Cambodia's transport sector are (i) lack of refined sector policy and effective legislative implementation; (ii) lack of selective infrastructure investment to meet national and regional needs; and (iii) lack of sustainability in social, environmental, and financial aspects. Overloading and lack of maintenance financing are also key issues in the road sector in Cambodia, which trigger the need for sustainable road maintenance and overloading control through introducing axle load control mechanism and PBRMC.

7. To address the transport sector issues in Cambodia, the government prepared the National Transport and Logistics Master Plan (NTLMP).⁷ It aims to transform the inadequate transport system in Cambodia into a comprehensive, fully developed, high quality, and climate change resilient infrastructure, and a sustainable national transport system to accommodate the population and employment growth by 2030. The roads under the proposed project are included in the project list of the NTLMP.

8. The proposed project roads include National Road 23 (NR23) and Provincial Road 312 (PR312), which are located in Kandal and Prey Veng Provinces, two of the evolving rural economic centers that need to be better connected with the regional market. Kandal Province, with population of 45,970 persons, serves as an economic belt of the capital Phnom Penh. Farming and fishing are the two main industries of the province. Prey Veng Province, with population of 48,519 persons, is part of great green belt of Cambodia. Main crops grown in the province is rice, contributing about 10% to the national crop and the province is among those that emerge each year with the largest surplus rice.

9. NR23 in Kandal province is also important for trade facilitation as it links local economic centers with regional markets. It also connects the neighborhoods between Bassac river and Mekong river. NR23 is in a bad condition with natural soil surface and has narrow width. The road is not passable by vehicles during the wet season, with some sections remaining impassable even in dry season because of the road conditions. Raising the road level in certain sections of NR23 is required to provide all-year access to the road users and rural markets. On the other hand, PR312 links with NR1, a part of the GMS SEC. It is vital for transport both within Prey Veng Province and with Viet Nam for cross-border transport and trade. PR312 is not wide enough for two-way traffic during the harvesting season.

10. **Disaster and Climate Change Impacts.** Many provinces in Cambodia are vulnerable to flood related disasters. Kandal and Prey Veng Provinces sit within the Mekong basin and have poor natural drainage. Kandal Province is in the zone of influence of the Bassac river, a downstream branch of the Mekong river, while Prey Veng Province is in a very flat area with almost zero gradient. Both provinces were affected by the 2019 Cambodia floods, with approximately 175 km of roads and over 5,500 households in Prey Veng affected.⁸ Cambodia's Climate Change Strategic Plan 2014-2024 recognizes that flood events are becoming more frequent and severe due to climate change, and that "road structure needs strengthening, especially rural roads, so that floods do not affect the movement of people and transportation of

⁷ Royal Government of Cambodia. 2019. *Final Draft National Transport and Logistics Master Plan*. Phnom Penh.

⁸ World Food Programme. 2019. [Humanitarian Response Forum: Situation Report No. 3 –Floods in Cambodia](#).

goods.”⁹ Such disruptions can impact local and regional connectivity, economic activity and community safety. Disaster and climate change resilient road infrastructure are therefore important and challenging. The project area was rated at “moderate” level of flood risk.¹⁰

11. The project will be assessed for disaster and climate change impacts. A Disaster (flood) and Climate Change Risk and Vulnerability Assessment will be completed under a regional transaction TA facility (F-TRTA)¹¹ to inform identification and integration of disaster and climate resilience measures for road network design under Output 1. Incremental costs associated with strengthening disaster resilience of the road network are to be financed under the Asian Development Fund (ADF) 12 disaster risk reduction funding. The project will not include specific climate change mitigation measures. However, the improved road condition might reduce carbon dioxide emissions per year, which will be calculated by the assessment under the F-TRTA.

12. **Axle Load Control.** While the MPWT has been addressing the road maintenance issue, roads are still being damaged by overloaded trucks, leading to the need for premature repair works. Under an earlier ADB-financed project, the MPWT established 27 weigh stations and formed the National Axle Overloading Control Committee to oversee all activities in axle load control.¹² However, further assistance is needed for the MPWT to develop a strategic framework to control overloading by reassessing the operation and the process being used for controlling vehicle overloading, and finding alternative technologies, solutions, and approaches to systematically achieve the objective of reducing road damage from overloaded trucks.

13. **Road Safety Issues.** Although the fatality rate in Cambodia’s road transport dropped recently,¹³ it is still at a high level due to the rapid motorization of Cambodia where the number of motorized vehicles has doubled between 2013 and 2016 with motorcycles making up over 80% of the fleet.¹⁴ It is estimated that in 2018 the economic cost of road crashes equaled approximately \$350 million, which represents over 2% of Cambodia’s gross domestic product.¹⁵ Road crashes, mainly due to lack of road safety awareness, affected the most economically active part of the population: farmers, workers, and students.

14. **Gender Dimension.** Of over 15.41 million population in Cambodia, about 51.5% are women. Cambodia has an annual population growth of 1.79% and overall population sex ratio of 0.95.¹⁶ The households headed by women account for about 22% of about 6 million households in the country. About 80.1% of the country’s population live in rural areas. As of September 2016, the total number of female headed households in the project area was 5,402, accounting for about 14.9% of the total households.¹⁷

⁹ National Climate Change Committee, Government of Cambodia. 2013. [Cambodia Climate Change Strategic Plan 2014-2023](#).

¹⁰ ADB. 2016. *Feasibility Study on Second Provincial Roads Improvement Project*. Consultant’s report. Manila.

¹¹ ADB. 2018. *Technical Assistance for Southeast Asia Transport Project Preparatory Facility*. Manila.

¹² ADB. 2002. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Kingdom of Cambodia for the Road Improvement Project*. Manila.

¹³ Fatalities from road traffic accidents in Cambodia have declined from 2,226 in 2014 to 1,761 in 2018. Government of Cambodia, Ministry of Public Works and Transport. 2018. *Road Safety for Road Users in Cambodia*. Phnom Penh.

¹⁴ CEIC Data Information Co., Ltd. 2018. [Cambodia Motor Vehicles Sales](#).

¹⁵ A. Chhengpor & S. Khan. 2019. Loss of Life as Traffic Deaths Mount Prompts Renewed Debate Over Safety, Access to Justice. [Voice of America](#). 20 April.

¹⁶ World Economic Forum. 2015. *Global Gender Gap Index Report*. Geneva.

¹⁷ ADB. 2016. *Poverty and Social Assessment. Feasibility Study on Second Provincial Roads Improvement Project*. Consultant’s Report. Manila

15. Although improved roads will bring positive social impacts for women, promoting significant transformative changes in gender relations and job creation for women in the male dominated road construction industry is still challenging. Enhanced connectivity can also have potential and unintended social risks (e.g., increased risk of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) transmission, land acquisition and resettlement, human trafficking, road accidents, and environmental impacts). Appropriate social mitigation measures such as Gender Action Plan (GAP), and HIV/AIDS and Human Trafficking Awareness and Prevention Program, involving both skilled and unskilled women in transport industries, are warranted to address these social risks and negative impacts.

B. Proposed Solutions

16. **Output 1: National and provincial road sections improved with climate-resilient design.** The project will improve road sections NR23 and PR312 as subsections of the GMS network, totaling approximately 48 km, with disaster and climate-resilient design. The project scope will include a PBRMC of the improved infrastructure. The PBRMC will be attached to the contract for improvement of roads (a hybrid approach). The MPWT will aim to employ women for 50% of labor for road maintenance using labor contracting society (LCS).¹⁸ Adequate freeboard and drainage structure, slope protection using bio-engineering method, and hard shoulder will be included in the project roads as adaptation measures for climate change impacts.¹⁹

17. **Output 2: Axle load control enhanced.** The project will enhance axle load control in national and provincial roads in line with the government strategy and the action plan for axle load control developed under TA 9300.²⁰ Activities under this output will include improving equipment in weigh stations and mobile weigh devices, improving staff management, and conducting a pilot testing of on-board mass monitoring system.

18. **Output 3: Awareness of road safety and potential social problems strengthened.** The project will strengthen awareness of road safety and potential social problems (i.e. HIV/AIDS and human trafficking) in the project provinces. Activities under this output will include a community-based road safety awareness program with at least 30% women facilitators, including an education program for schools, drivers, women and children, road users.

19. **Value added by ADB assistance.** Regional cooperation and integration will be enhanced by the road development under the project. The axle load controlling, road safety programs, gender mainstreaming initiatives, and disaster and climate-resilient road design to be supported by the proposed project will contribute to ensuring sustainability.

20. The project is aligned with ADB's country partnership strategy, in particular the pillars on accelerating competitiveness and economic diversification, and green, inclusive and sustainable development (footnote 4). The project is also aligned with the following operational priorities (OPs) of ADB's Strategy 2030: OP 1 (addressing remaining poverty and reducing inequalities); OP 2 (accelerating progress in gender equality); OP 3 (tackling climate change, building climate and

¹⁸ LCS is a group of adult persons for livelihood improvement. The members of the group share similarity in respect of gender, physical strength, skill, and socio-economic status; and are landless laborers and disadvantaged, destitute, and asset less people. This group depends on manual labor as their main source of income.

¹⁹ Using naturally grown vetiver grass (*Vetiveria zizanioides*) to protect embankment slopes during heavy rainfall and flood.

²⁰ ADB. [Cambodia: Institutional Capacity Building in the Road Sector.](#)

disaster resilience and enhancing environmental sustainability); and OP 7 (fostering regional cooperation and integration).²¹

21. These solutions will result in the following outcome: increased transport efficiency in national and provincial roads along GMS SEC.²² The project will be aligned with the following impact: enhancing competitiveness and diversification of the economy along GMS SEC (footnote 5).

C. Proposed Financing Plans

22. The project is estimated to cost \$65.0 million including taxes and duties of \$5.82 million. The total cost includes physical and price contingencies, and interest and other charges during implementation (Table 1). ADB will finance a total of \$58.0 million, which includes a \$1.2 million grant from the ADF 12 Disaster Risk Reduction funding. The incremental cost for strengthening disaster resilience is currently unknown.

Table 1: Tentative Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (Concessional loan)	56.8	87.0
Special Fund Resources (Asian Development Fund Grant) ^a	1.2	2.0
Government	7.0	11.0
Total	65.0	100.0

^a To be financed by the Asian Development Bank's ADF 12 Disaster Risk Reduction funding.
Source: Asian Development Bank estimates.

D. Implementation Arrangements

23. **Indicative Implementation Arrangements.** Implementation arrangements will be as in Table 2.

Table 2: Indicative Implementation Arrangements

Aspects	Arrangements
Indicative implementation period	January 2021–December 2028 ^a
Indicative completion date; loan closing date	31 December 2028; 30 June 2029
Management	
(i) Executing agency; (ii) Key implementing agency	(i) MPWT; (ii) Project Management Unit-3, MPWT

MPWT = Ministry of Public Works and Transport

^a Three (3) years contract period for improvement of roads; one (1) year for defect liability period; and four (4) years for performance-based maintenance contract.

II. PROJECT PREPARATION AND READINESS

24. Project preparation will be provided under a F-TRTA (footnote 11). The implementation details of the F-TRTA is indicated in Appendix 2. The F-TRTA will help to review and update the cost estimate and prepare the bidding documents including preparation of updated safeguard documents. Advance contracting will be undertaken and contracts will be ready for award before loan effectiveness. The feasibility studies and detailed engineering design for the rehabilitation of

²¹ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

Alignment with key operational priorities of Strategy 2030 are detailed in the Supplementary Appendix 1.

²² The preliminary design and monitoring framework is in Appendix 1.

NR23 and PR312 were completed under the Provincial Roads Improvement Project and Second Road Asset Management.²³ Therefore, high project readiness will be achieved.

III. DELIBERATIVE AND DECISION-MAKING ITEMS

A. Risk Categorization

25. The project will be classified as “low risk”, as the initial safeguard categorization will be B for environment, B for Involuntary resettlement, and C for indigenous peoples. The proposed project will be Effective Gender Mainstreaming. Climate change impact on the project will be Medium. However, the categorization will be confirmed after the alignments are finalized and impact assessment is conducted. The initial poverty and social analysis have been prepared for the proposed project (Appendix 3).

B. Project Procurement Classification

26. The procurement classification for the project is B (Appendix 4).

C. Scope of Due Diligence

Table 3: Due Diligence Outputs

Due Diligence Outputs	To be undertaken by
Sector assessment; Project readiness; Project Administrative Manual; Development Coordination	Staff
Economic and Financial Analysis; Financial Management Assessment	Staff and F-TRTA consultant
Integrity due diligence; Procurement Risk Assessment	Staff and F-TRTA consultant
Climate Change and Disaster Risk Management Plan	Staff and F-TRTA consultant
Risk Assessment and Management Plan; Safeguards documents	Staff and F-TRTA consultant
Poverty and social assessment; Gender analysis and Gender Action Plan	Staff and F-TRTA consultant

ADB = Asian Development Bank, F-TRTA = transaction technical assistance facility

Source: Asian Development Bank estimates.

D. Processing Schedule and Sector Group’s Participation

Table 4: Processing Schedule by Milestone

Milestones	Expected Completion Date
Fact-Finding Mission ^a	May 2020
Interdepartmental Review and Peer Review by Transport Sector Group	June 2020
Staff Review Meeting	July 2020
Loan Negotiations; Board Consideration	August 2020; October 2020
Loan signing; Loan effectiveness	November 2020; Q1 2021

^a subject to approval of RP by the General Department of Resettlement (GDR) and MPWT.

E. Key Processing Issues and Mitigation Measures

Table 5: Issues, Approaches and Mitigation Measures

Key Processing Issues	Proposed Approaches and/or Mitigation Measures
Sensitiveness of land acquisition and compensation for the road sections which need widening or new construction	Early involvement of GDR at the project preparation stage is important. More coordination between MPWT and GDR is needed for efficient implementation of safeguard activities.

GDR = General Department of Resettlement; MPWT = Ministry of Public Works and Transport

Source: Asian Development Bank estimates

²³ ADB. 2017. *Technical Assistance Completion Report: Provincial Roads Improvement Project*. Manila.; and ADB. [Cambodia: Second Road Asset Management](#).

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Impacts the Project is Aligned with Competitiveness and diversification of the economy enhanced along GMS SEC (Rectangular Strategy IV) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome Transport efficiency increased in national and provincial roads along GMS SEC	By 2029 Average daily vehicle-km increased to XXXX for NR23, and XXXX for PR312 (2020 baseline: XXXX for NR23, and XXXX for PR312)	Annual Traffic Count Report, MPWT	Project roads suffer severe damage from severe and frequent disasters triggered by natural hazards.
Outputs 1. National and provincial road sections improved with climate-resilient design 2. Axle load control enhanced	By 2028 1a. Approximately 48 km of national and provincial road network improved to '3-stars or above' ^b (2020 baseline: 0 km) 1b. Performance-based maintenance undertaken targeting women's participation of at least 50%, using LCS contracts (2020 baseline: 0%) 1c. Women hired by contractors in construction phase for at least 30% of the accumulative labor days (2020 baseline: 0%) 2a. At least XX weigh stations refurbished (2020 baseline: 0). 2b. At least XX weigh scales and vehicles for XX mobile teams provided (2020 baseline: 0) 2c. Training provided for xx number of staff with on axle-load control system, with on-board mass monitoring system (2020 baseline: 0)	1a. Construction completion report 1b. Construction completion report and project progress report 1c. Construction completion report and project progress report 2a.-2b. Project progress report	Delay in construction due to adverse weather condition.
3. Awareness of road safety and potential social problems strengthened	3a. XX% of community residents (at least XX% whom are women) report on improved knowledge and understanding of road safety measures, HIV/AIDS, and human trafficking (2020 baseline: 0%)	3a. Project progress report	

Key Activities with Milestones	
1.	National and provincial road sections improved with climate-resilient design
1.1	MPWT completes 48 km of road improvement, with at least 30% women's involvement in accumulative labor days by Q4, 2024
1.2	MPWT completes 48 km of PBMC, with at least 50% women's involvement in accumulative labor days by Q4, 2028
2.	Axle load control enhanced
2.1	MPWT provides training to staff and mobile teams in weigh stations by Q3, 2024
2.2	MPWT completes pilot testing of on-board mass monitoring system by Q4, 2028
3.	Awareness of road safety and potential social problems strengthened
3.1	MPWT completes the baseline socioeconomic survey with sex-disaggregated data by Q1, 2022
3.2	MPWT implements the road safety program by Q4, 2024
Project Management Activities	
Bidding documents prepared	
Project management and construction supervision consultants recruited	
Procurement packages awarded	
Inputs	
Asian Development Bank: \$56.8 million (loan) and \$1.2 million (ADF grant)	
Government: \$7.0 million	
Assumptions for Partner Financing	
Not applicable	

ADB = Asian Development Bank, ADF = Asian Development Fund, GMS = Greater Mekong Subregion, HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome; km = kilometers, LCS = labor contracting society, MPWT= Ministry of Public Works and Transport, NR = national road, PBMC = performance-based maintenance contract, PR = provincial road, Q = quarter, SEC = Southern Economic Corridor

^a Government of Cambodia. 2018. *Rectangular Strategy for Growth, Employment, Equity and Efficiency: Building the Foundation Toward Realizing the Cambodia Vision 2050, Phase IV*. Phnom Penh.

^b International Road Assessment Programme. 2017. [3 Star or Better](#); International Road Assessment Programme. 2017. [Star Rating for Designs](#). Star Ratings are based on road inspection data and provide a simple and objective measure of the level of safety which is 'built-in' to the road for vehicle occupants, motorcyclists, bicyclists, and pedestrians.

TECHNICAL ASSISTANCE FACILITY UTILIZATION UPDATE

1. The regional transaction technical assistance facility (F-TRTA), Southeast Asia Transport Project Preparatory Facility, was approved on 16 November 2018 in the amount of \$5 million, financed on a grant basis from the Technical Assistance Special Fund and administered by ADB.¹ The F-TRTA became effective on 16 November 2018 and the F-TRTA's completion date is on 31 December 2021. The F-TRTA aims to support the governments of 4 Southeast Asian developing member countries namely Cambodia, Lao Peoples' Democratic Republic (Lao PDR), Philippines, and Thailand in project preparation and capacity building to a series of ensuing transport sector projects. The F-TRTA's outputs include (i) feasibility studies on ensuing projects; (ii) support for initial project implementation activities; and (iii) improved capacity of the executing agencies in project management.

2. The original allocation for the proposed Cambodia: Road Network Improvement Project (RNIP), Phase 2 under the F-TRTA was \$1.0 million for consulting services for the preparation of the project. The Government of Cambodia has requested to utilize the F-TRTA for project preparation and feasibility study of about 130 km of road sections, as indicated in the MOU of the reconnaissance mission for RNIP, Phase 2 conducted from 8 to 14 January 2019.² On 13 February 2019, a minor change in scope was approved to increase the allocation for Cambodia RNIP, Phase 2 from \$1.0 million to \$1.5 million.

3. The Terms of Reference (TOR) for the consulting services was agreed between the Mission and MPWT with the following consultants' arrangement:

- (i) Consultants will include a firm and 10 individual consultants for safeguards and gender analysis;
- (ii) The firm will provide 21 person-months inputs for international consultants and 18 person-months inputs for national consultants;
- (iii) Individual consultants will be 17.5 person-months inputs for international consultants and 19.5 person-months inputs for national consultants;
- (iv) Based on the above agreement with the government, there will be additional international and national positions for (a) bridge expert, (b) biodiversity and bird expert; (c) archaeological expert; (d) road safety expert; (e) road asset management and axle load control expert; and (f) national expert for roads engineer.

Table A2.1: Consultant Inputs for RNIP, Phase 2 Preparation

A. International	PM	B. National	PM
Team Leader/Roads (highway) engineer	6.0	Deputy Team Leader/Roads Engineer	8.0
Bridge engineer	1.0	Procurement expert	3.0
Procurement expert	4.0	Transport economist	1.0
Transport economist	3.0	Road safety expert	3.0
Financial management expert	2.0	Road asset management and axle load control expert	3.0
Road safety expert	2.5	Environment and climate change expert ^a	6.0
Road asset management and axle load control expert	2.5	Biodiversity specialist ^a	2.0
Environment and climate change expert ^s	6.0	Archaeological specialist ^a	2.0

¹ ADB. 2018. *Technical Assistance for Southeast Asia Transport Project Preparatory Facility*. Manila.

² The usage of the RETA facility is subject to the confirmation by the government as per para. 13 of the TA report.

A. International	PM	B. National	PM
Biodiversity specialist ^a	1.5	Social development and resettlement expert ^a	6.0
Archaeological specialist ^a	1.5	Gender expert ^a	3.5
Social development and resettlement expert ^a	6.0		
Gender expert ^a	2.5		
Subtotal A	38.5	Subtotal B	37.5
TOTAL (A+B)			76.0

RNIP = Road Network Improvement Project

^a Will be engaged as individual consultants.

Source: Asian Development Bank.

4. The total estimated cost of the consulting services is \$1.34 million. In addition, an indicative provisional sum of \$160,000 would be needed for additional safeguard due diligence on the historic preservation area in/around Siem Reap upon requirement by the EA (MPWT) based on the discussions with relevant government authorities. MPWT, supported by CARM safeguard team, will have meetings with government authorities which oversee heritage protection in the proposed project area about the road design requirement and relevant procedures. After those meetings, safeguard due diligence plan will be made. If the proposed provisional sum for the safeguards due diligence exceeds \$160,000, the Team will consider other options, such as seeking funds from other sources, or Government will incur the cost, as the project is still in early stage and scope is yet to be defined.

5. Major activities of the project preparation and feasibility study on RNIP, Phase 2 include: (i) finalization of nominated road sections for inclusion in the project; (ii) engineering study including cost estimate, implementation plan, geological, hydrological, and topographical surveys, and the pavement design; (iii) demand forecast and economic analysis; (iv) financial analysis and financial management assessment; (v) environmental safeguards due diligence including confirmation of safeguards environment classification and preparation of environmental impact assessment (EIA if classified as Category A) or initial environment examination (if classified as Category B) and environmental assessment and review framework (EARF); (vi) social safeguards due diligence including preparation of poverty and social assessment and resettlement framework, (vii) strategic procurement planning, procurement risk assessment, development of risk register, procurement plan, advance procurement activities and assisting executing agency in evaluations and preparing contracts (for advance procurement); (viii) gender assessment, (ix) designing programs for road safety, road asset management and axle load control, and (x) preparation of drafts of the project documents.

6. **Resources under the technical assistance facility.** The updated cost estimates and consultants’ input allocation from the TA facility are presented in Tables A2.2 to A2.4. It is confirmed that (i) the TA facility has adequate resources and (ii) the existing terms of reference for consultants are sufficient to undertake the activities required to deliver the outputs for the ensuing Cambodia: Road Network Improvement Project, Phase 2.

Table A2.2: Cost Estimates and Financing Plan for RNIP, Phase 2 Preparation
(\$'000)

Item	Revised Amount
A. Asian Development Bank	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	850.00
ii. National consultants	190.00
b. Out-of-pocket expenditures	
i. International and local travel	50.00
ii. Training, seminars, and workshops	1.00
iii. Reports and communications	1.50
iv. Miscellaneous administration and support costs	82.50
2. Surveys	85.00
3. Provisional Sum	160.00
4. Contingencies	80.00
Total	1,500.00

RNIP = Road Network Improvement Project.

Source: Asian Development Bank estimates.

Table A2.3: Indicative Technical Assistance Budget Allocation

Item	Country	Indicative risk category	Original Budget Allocation (\$'000)	First Revised Budget Allocation (\$'000)	Second Revised Budget Allocation (\$'000)
Project 1: Road Network Improvement Project, Phase 2 ¹	Cambodia	low risk	1,000.0	1,000.0	1,500.0
Project 2: Additional Financing to Second Northern GMS Transport Network Improvement Project	Lao PDR	low risk	500.0	500.0	500.0
Project 3: Bataan–Cavite Bridge	Philippines	complex	350.0	100.0	100.0
Project 4: Laguna Lakeside Road	Philippines	complex	350.0	100.0	100.0
Project 5: Manila Mass Rapid Transit Line 4	Philippines	complex	300.0	300.0	300.0
Project 6: Bangkok Urban Transport Development – West Orange Line	Thailand	complex	500.0	500.0	400.0
Project 7: Regional Airports Improvement	Thailand	complex	1,000.0	1,000.0	870.0
Project 8: Tak–Mae Sot Road Tunnel	Thailand	complex	1,000.0	1,000.0	680.0
Project 9: Metro Manila Bridges Project	Philippines	complex		500.0	500.0
Subtotal (Subprojects)		complex	5,000.0	5,000.0	4,950.0
RETA Coordination					50.0
Total (TRTA-Facility)			5,000.0	5,000.0	5,000.0

PDR = People's Democratic Republic.

Source: Asian Development Bank estimates.

¹ This project is reflected in ADB's *Country Operations Business Plan (COBP), Cambodia, 2020-2022*, as "Integrated Road Network Improvement Project" to be financed using multitranches financing facility. It has been renamed as Road Network Improvement Project, Phase 2, as stand-alone project based on the request of the Ministry of Public Works and Transport.

Table A2.4: Updated Consultants' Input Allocation

(person-month)

Item	Total	Project 1 Complex	Project 2 Low Risk	Project 3 Complex	Project 4 Complex	Project 5 Complex	Project 6 Complex	Project 7 Complex	Project 8 Complex	Project 9 Complex
International Experts										
Roads Engineer	8.0	6.0	2.0				0.0	3.0	3.0	1.5
Metro Engineer	2.0						2.0			
Transport Planner	9.0						2.0	4.0	3.0	
Airport Engineer	4.0							4.0	0.0	
Tunnel and Geological Engineer	3.0								3.0	
Transport Economist	17.5	3.0	2.0	1.0	1.0	2.0	2.0	3.0	2.0	1.5
Procurement Expert	6.0	4.0	2.0				2.0	1.0	1.0	
Financial Management Expert	3.0	2.0	1.0				1.0			
Environment and climate change Expert	15.0	6.0 ^a	2.0			1.0	1.0	1.0	1.0	3.0
Social safeguards and resettlement Expert	18.0	6.0 ^a	2.0			2.0	2.0	1.0	1.0	4.0
Gender Expert	6.5	2.5 ^a	2.0			0.0	1.0	0.5	0.5	
<i>New Experts:</i>										
Biodiversity and Bird Expert	1.5	1.5 ^a								
Archaeological Expert	1.5	1.5 ^a								
Bridge Expert	1.0	1.0								
Road Safety Expert	2.5	2.5								
Road Asset Management and Axle Load control Expert	2.5	2.5								
Total (A): International Experts	98.5	38.5	13.0	1.0	1.0	5.0	13.0	17.5	14.5	10.0
National Experts										
Transport Planner/Economist	212.0	1.0	4.0					6.0	3.0	
Procurement Expert	0.0	3.0	4.0							1.0
Environment and climate change Expert	30.0	6.0 ^a	3.0	2.0	2.0	2.0	2.0	5.0	4.0	4.0
Social safeguards and resettlement Expert	39.0	6.0 ^a	6.0	1.0	1.0	6.0	5.0	4.0	4.0	6.0
Gender Expert	18.5	3.5 ^a	3.0	1.0	1.0	2.0	3.0	2.0	2.0	1.0
<i>New Experts:</i>										
Roads Engineer	8.0	8.0								
Biodiversity and Bird Expert	2.0	2.0 ^a								
Archaeological Expert	2.0	2.0 ^a								
Road Safety Expert	3.0	3.0								
Road Asset Management and Axle Load Control	3.0	3.0								
Subtotal (B): National Expert	192.5	37.5	33.0	5.0	5.0	15.0	23.0	34.5	27.5	12.0
RETA Coordinator	5.0									
Total (B): National Expert	5.0									

^a Under individual consultant's selection

Project 1: Road Network Improvement Project, Phase 2 (Cambodia); Project 2: Additional Financing to Second Northern GMS Transport Network Improvement Project (Lao People's Democratic Republic); Project 3: Bataan–Cavite Bridget Project (Philippines); Project 4: Laguna Lakeside Road Project (Philippines); Project 5: Manila Mass Rapid Transit Line 4 (Philippines); Project 6: Bangkok Urban Transport Development - West Orange Line (Thailand); Project 7: Regional Airports Improvement Project (Thailand); Project 8: Tak–Mae Sot Road Tunnel Project (Thailand); Project 9: Metro Manila Bridge Project (Philippines). Source: Asian Development Bank estimates.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Cambodia	Project Title:	Road Network Improvement Project, Phase 2
Lending/Financing Modality:	Project	Department/Division:	SETC/SERD

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy
<p>The government's poverty reduction strategy for growth for 2019–2023 (the Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase IV) targets (i) ensuring economic growth of 7%; (ii) creating more jobs; (iii) achieving the poverty reduction target of below 10%; and (iv) further strengthening the capacity and governance of public institutions. It emphasizes four strategic rectangles: (i) human resource development, (ii) economic diversification, (iii) promotion of private sector development and employment, and (iv) inclusive and sustainable development.¹</p> <p>Meanwhile the overarching objective of ADB's current Country Partnership Strategy 2019–2023 for Cambodia is poverty reduction, in line with the Government's socioeconomic development priorities. The strategy includes three strategic pillars: (i) green growth and competitiveness; (ii) human capital development; and (iii) governance and institutional capacity service delivery.²</p> <p>The strategy includes the proposed project as one key intervention for enhancing national socioeconomic development and integration into subregional and international economy.</p>
B. Poverty Targeting
<p><input checked="" type="checkbox"/> General intervention <input type="checkbox"/> Individual or household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-income MDGs (TI-M1, M2, etc.)</p> <p>The project has an indirect impact on poverty alleviation through improved conditions for travel and transport.</p>
C. Poverty and Social Analysis
1. Key issues and potential beneficiaries.
<p>The main project beneficiaries are urban/rural communities and road users along the proposed sections of national/provincial roads of Cambodia. The incidence of poverty in Cambodia (based on the national poverty line), is estimated at 35%, of which more than 90% live in the rural areas. Cambodia's poverty is rooted in its large agricultural sector, which has low productivity and low growth, but provides livelihood to the vast majority of the country's population. Living in rural areas, the poor tend to have low levels of education and limited access to land and other productive assets, as well as to markets due to inadequate connectivity</p>
2. Impact channels and expected systemic changes.
<p>Improving the estimated 48 kilometers of roads will improve access to markets and employment opportunities, as well as goods and services. Improved road conditions would reduce travel time and vehicle operating costs, both of which would reduce transportation costs. Reduced transportation costs in turn are expected to contribute to reduced prices for goods and services in the project areas. Reduced input costs for agriculture and improved access to markets for farm produce are expected to have a positive impact on farming incomes. Project construction will prioritize employment of locally sourced labor, including recruiting women for unskilled labor.</p>
3. Focus of (and resources allocated in) the transaction TA or due diligence.
<p>A Poverty and Social Assessment (PSA) will prepare a socio-economic baseline and analyze the incidence and causes of poverty in the project areas. The PSA will also assess negative impacts and propose necessary mitigation measures, as well as analyze positive impacts and means of maximizing pro-poor features in the project design. Project risks are to include increased risk of HIV/STI transmission, human trafficking, and road accidents along with other risks identified through the PSA. Positive impacts and opportunities include improve access and mobility, as well as project related employment. The gender analysis will explore gender-related risks; opportunities and required conditions will be set out in a Gender Action Plan (GAP) and gender strategy based on results of a gender analysis. Other social issues to be addressed include guarantees for adherence to core labor standards, and ensuring meaningful participation through the preparation of a communications and participation plan.</p>

II. GENDER AND DEVELOPMENT	
<p>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?</p>	<p>The needs of women as road users often vary considerably to those of men. Women typically are responsible for transporting their children to school and social services such as primary health care. Women are also dependent on reliable road transport to access for reproductive and maternal health services. In many rural communities, women play an essential role in contributing to household incomes through marketing of their households' farm produce, as well as participating in informal sector livelihoods such as small businesses, casual labor – all of which are affected significantly by the quality of the road transportation. Improved road transportation is, therefore, likely to significantly contribute to women's health, improved capacity to contribute to household incomes, and reduction in time burden in managing both livelihood and reproductive (i.e. household maintenance) roles.</p> <p>During project implementation, women face specific risks and are likely to have a keener interest in various aspects of the project which need to be addressed in project design and implementation. Women in host communities are, in some respects, more vulnerable to HIV infection due to greater physiological susceptibility, as well as the need to ensure their partners do not engage in risky sexual practices. Women are likely to have a greater interest in road safety as their roles of primary caregivers of their children. The project also provides for short- to medium-term benefits during the implementation phase, including potential opportunities for project-related work, participation in livelihood improvement programs, and enhanced roles within the community by consultation and participation.</p>
<p>2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Improved road transportation will enhance improved access to services and livelihood opportunities, as well as potentially reduce their time burden. The project implementation will also set targets for women's participation in project-related work opportunities and implementation of community-based road safety programs which will be reflected in GAP targets.</p>
<p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Risks on women's interests will be carefully assessed during the TRTA stage and addressed through GAP and other relevant Social Action Plans.</p>
<p>4. Indicate the intended gender mainstreaming category:</p> <p><input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming)</p> <p><input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>	
III. PARTICIPATION AND EMPOWERMENT	
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</p>	<p>Main stakeholders include communities through which the roads traverse and road users in the project areas. Potentially affected persons due to land acquisition and involuntary resettlement, including indigenous peoples and ethnic minorities that reside within the target areas are also among the main stakeholders. Project stakeholders will participate in the consultations during the PSA and Gender Analysis as well as preparation of resettlement and indigenous planning documents. This will, in turn, inform the design of project components such as the road safety component, as well as the HIV and Human Trafficking Mitigation Program, and the mitigation measures under the resettlement and/or indigenous peoples plans.</p>
<p>2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded?</p>	<p>A communications and participation plan will be prepared setting out information disclosure and consultation requirements throughout various stages of the project's implementation. Modes of project communication will include public meetings and focus group discussions and one-on-one discussions with poor and vulnerable, including women, landless and indigenous peoples/ethnic minorities. Consultations will be devised in a culturally appropriate manner and will be gender inclusive. In addition to this, some project components (such as road safety) will be community-based, providing opportunities for participation and management of local communities in activities which directly affect them. A grievance redress mechanism (GRM) will also be established for the project. Lower levels of the project GRM will be located at the local</p>

<p>administrative levels, and multiple entry points will be used to enable to effective and timely considering and resolving incoming complains and concerns that are easily accessible and affordable to all, including poor and vulnerable. Collaboration with existing community-based organizations, such as religious institutions, mass organizations, and local government service providers (e.g. schools and health services) will also be incorporated in various components involving outreach or community mobilization.</p>
<p>3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?</p> <p><input checked="" type="checkbox"/> (H) Information generation and sharing <input checked="" type="checkbox"/> (M) Consultation <input checked="" type="checkbox"/> (H) Collaboration <input type="checkbox"/> Partnership</p>
<p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Describe key features, responsibilities and resources to strengthen the participation of CSOs, and/or poor and vulnerable.</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Please explain)</p> <p>Participation of poor and other vulnerable groups will be important to consider their views and suggestions, and better understand their concerns during the project design and any potential mitigation measures resulting from the due diligence and impact screening. Local communities will be consulted on the design of community-based programs, as well as mitigation measures of anticipated social impacts. These consultations will be meaningful and inclusive. Community-based programs will include participation of women, as well as marginalized groups.</p>
<p>IV. SOCIAL SAFEGUARDS</p>
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Involuntary resettlement impacts are expected as the project will include road-widening and construction of new road/bridge sections. The project includes rehabilitation of two existing roads strictly within the existing ROW and the corridor of impact will be limited to the existing carriage way, shoulders and slopes. The new road section includes proposed alternative sections/by-passes to avoid or considerably minimize IR impact. Categorization forms will be sent to SDCC upon completion of surveys.</p>
<p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p>
<p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Indigenous peoples and ethnic minorities may reside within the project area of influence. NR23 and PR312 pass Prey Veng province, where ethnic minorities or indigenous peoples may reside within the larger project area of influence, but not necessarily along the two roads. At the stage of concept note preparation, the project is not expected to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of Indigenous Peoples, neither will the project expected to affect the territories, natural or cultural resources that they own, use, occupy or claim as their ancestral domain. The impact on IP, ethnic minorities will be confirmed, assessed and analyzed during the TRTA. The categorization could be reviewed or confirmed at that time.</p>
<p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Will the project require broad community support of affected indigenous communities?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Please explain)</p> <p>The project will rehabilitate the existing roads, and will not cause (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. .</p>

<p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p> <p>Indigenous Peoples Plan may be prepared if the impact on ethnic groups or indigenous peoples is confirmed during the TRTA.</p>
<p>V. OTHER SOCIAL ISSUES AND RISKS</p>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> (H) Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> (M) Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input checked="" type="checkbox"/> (L) Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify:</p>
<p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>An HIV and Human Trafficking Awareness and Prevention Program will be prepared. Requirements for core labor standards will be stipulated in bidding documents and civil works contracts.</p>
<p>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p>
<p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence?</p> <p>The project design consultants will have qualified international and national experts to carry out social impact assessment, gender analysis and communication strategy. Budget will be allocated for social surveys, consultation, and disclosure activities.</p>

MDG = Millennium Development Goals

¹ Government of Cambodia. 2018. *Rectangular Strategy for Growth, Employment, Equity and Efficiency: Building the Foundation Toward Realizing the Cambodia Vision 2050, Phase IV*. Phnom Penh.

² ADB. Country Partnership Strategy 2019-2023.

PROJECT PROCUREMENT CLASSIFICATION

Characteristic	Assessor's Rating:
Is the procurement environment risk for this project assessed to be <i>high</i> based on the country and sector and/or agency risk assessments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No At "medium risk rating" based on the country and sector/agency risk assessment dated 13 December 2018.
Are multiple (typically more than three) and/or diverse executing agencies and/or implementing agencies envisaged during project implementation? Do they lack prior experience in implementation under an ADB-financed project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown
Are multiple contract packages and/or complex and high-value contracts (compared with recent externally financed projects in the DMC) expected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown
Does the project plan to use innovative contracts (public-private partnership, performance-based, design and build, operation and maintenance, etc.)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown The project will use performance-based contracts
Are contracts distributed in more than three geographical locations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown
Are there significant ongoing contractual and/or procurement issues under ADB- (or other donor-) funded projects? Have instances of noncompliance been declared in respect of the executing and/or implementing agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown
Does the government or its executing or implementing agencies have prolonged procurement lead times, experience implementation delays, or otherwise consistently fail to meet procurement time frames?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown
Do executing and/or implementing agencies lack capacity to manage new and ongoing procurement? Have executing and/or implementing agencies requested ADB for procurement support under previous projects?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown The EA has a long-term experience to manage new and ongoing procurement.
Does the relevant market in the country have characteristics that may materially limit reasonable competition and/or potentially expose the executing or implementing agency to any prohibited practices (e.g., fraud, corruption, collusion, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown
Where electronic government procurement is mandated, ^a do executing agencies face any challenges in its effective implementation (e.g., poor connectivity, technical, capacity of executing agencies and bidders, security, assessment and third-party audit compliance, policy/legal framework, underuse)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown Not Applicable
Regional department's overall recommendation	
Overall project categorization recommended	<input type="checkbox"/> Category A <input checked="" type="checkbox"/> Category B
There are no high risk and/or complex procurement involved. The executing agency will require additional procurement support during preparation of strategic procurement planning and the regional department will request for PPFDF support.	
Procurement, Portfolio and Financial Management Department's recommendation (PPFD)	
Michael Joseph Walsh, Procurement Specialist, PPFDF confirms the classification	

ADB = Asian Development Bank; DMC = developing member countries; TA = technical assistance.

^a Where electronic government procurement is not mandated, the answer is "No."

Source: Asian Development Bank.

ALIGNMENT WITH ADB STRATEGY 2030

The project aligns with ADB's Strategy 2030 in the following key operational priorities:

- (i) Addressing remaining poverty and reducing inequalities: The project will improve access to markets and economic opportunities through transporting agriculture products and raw materials as well as boosting tourism. Also, the project will improve access to social services.
- (ii) Fostering regional cooperation and integration: The project will develop linkages between GMS SEC and its sub-corridor network, which will eventually link Cambodia with Dawei seaport in Myanmar; the Bangkok metropolitan area in Thailand; Pakxe in southern Lao PDR; Ho Chi Minh City, and Vung Tau seaport, and Quy Nhon seaport in Viet Nam.
- (iii) Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability: The project will be scaling up support to address climate change and disaster risks mainly caused by flooding, and accelerating low greenhouse gas emissions development through improved road alignment and surface condition.
- (iv) Accelerating progress in gender equality: The project will aim to promote gender equality in transport sector industries.

CAMBODIA ROAD NETWORK IMPROVEMENT PROJECT (PHASE 2)

First Proof: 04 October 2019
 Second Proof: 07 October 2019
 Third Proof: 14 October 2019
 Fourth Proof: 18 November 2019
 Fifth Proof: 20 January 2020



- Proposed Project Road
 - - - Proposed Project Road (Succeeding Phases)
 - Provincial Roads Improvement Project
 - - - Road Network Improvement Project
 - GMS Southern Economic Corridor
 - ★ National Capital
 - Provincial Capital
 - National Road (1 Digit)
 - Other Road
 - - - International Boundary
 - GMS** Greater Mekong Subregion
 - NR** National Road
 - PR** Provincial Road
- Boundaries are not necessarily authoritative.

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