

INSTITUTIONAL ANALYSIS AND ARRANGEMENTS FOR O&M OF PROJECT FACILITIES

A. Institutional Assessment

1. Lao PDR Governance Overview

1. Governance in Lao PDR has two streams: The National Assembly with 109 representatives and the Central Party Committee. There are four tiers of government: National (headed by a President and Prime Minister), Provincial, District, and Village administrations. The National Assembly has legislative powers but there are no equivalent bodies at the lower levels. In terms of administration, in addition to Vientiane Capital, there are 16 provinces (including the project's four participating provinces of Champasak, Khammouane, Luangprabang, and Oudomxay), about 145 districts, and almost 9,000 villages. The Law on Local Administration¹ (2004) consolidated the system of local governance. It identifies a provincial-level of government that included cities (Nakhone) and a district-level that introduced municipalities (Thetsaban) (refer Table 1).

Table 1: Levels of Governance in Lao PDR

Governance Level	Comprising	Headed By	Criteria for Selection	
			Population	Other
Province	Provinces	Governor	120,000	A minimum of five districts. Good conditions for socio-economic development. Good infrastructure.
	Cities	Mayor	80,000	Occupy a large urban area that is the centre of economic, political and socio-cultural activities, and of tourism, services, commerce, communications, transport and foreign affairs. Make a significant contribution to the socio-economic development of the country. Has developed infrastructure and public facilities.
Districts	Districts	Chief of District	30,000	None specified
Thetsaban	Municipalities	Chief of Municipality	10,000	None specified
Village	Villages	Village Head.	Not specified	None specified

Source: Law on Local Administration, 2004

2. Each governor or mayor is appointed by the President on the recommendation of the Prime Minister for a five year term. Two terms in the same role are permitted. All governors report directly to the Prime Minister and frequently serve in a dual role as Provincial Party Secretary. The local divisions of the line ministries and ministry-equivalent agencies are part of the organizational structure of the provincial or city administration. There are 17 Urban Development and Administrative Authorities (UDAAs) covering Vientiane and all other provincial capitals,² including Luangprabang, Pakse, Oudomxay and Thakhek.

¹ No. 60/PO. Decree of the President of the Lao People's Democratic Republic on the Promulgation of the Law on Local Administration. 5th August 2004.

² All set up under a Decree of the Prime Minister's Office, No 177/PM. Decree on the Organization of Urban Development and Administration Authority (UDAA). 22nd December 1997.

2. The Ministry of Information Culture and Tourism

3. The legal framework governing tourism in the Lao PDR is set out in the 2005 Tourism Law, promulgated under Presidential Decree No. 140. The Decree is fairly general in nature setting out broad principles guiding tourism planning and development in the country. It established a National Tourism Fund to be drawn from the State budget in order to advance all aspects of tourism development including capacity building, investment, and marketing.

4. The Ministry of Information, Culture and Tourism (MICT) was forged through a merger of the Lao National Tourism Administration (LNTA) and Ministry of Information and Culture (MIC) in 2011. Provincial Departments of Information, Culture and Tourism (DICT) were formed in accordance with Decree No 400/ICT in May 2012. MICT's Tourism Development Department (TDD), formerly the LNTA's Department of Planning and Cooperation, was established under Decree No. 442/ICT (2012). TDD staff and DICTs in Champassak, Khammouane, Luangprabang, and Oudomxay have over the past 10 years received significant development partner assistance and all have experience managing ADB-financed projects.

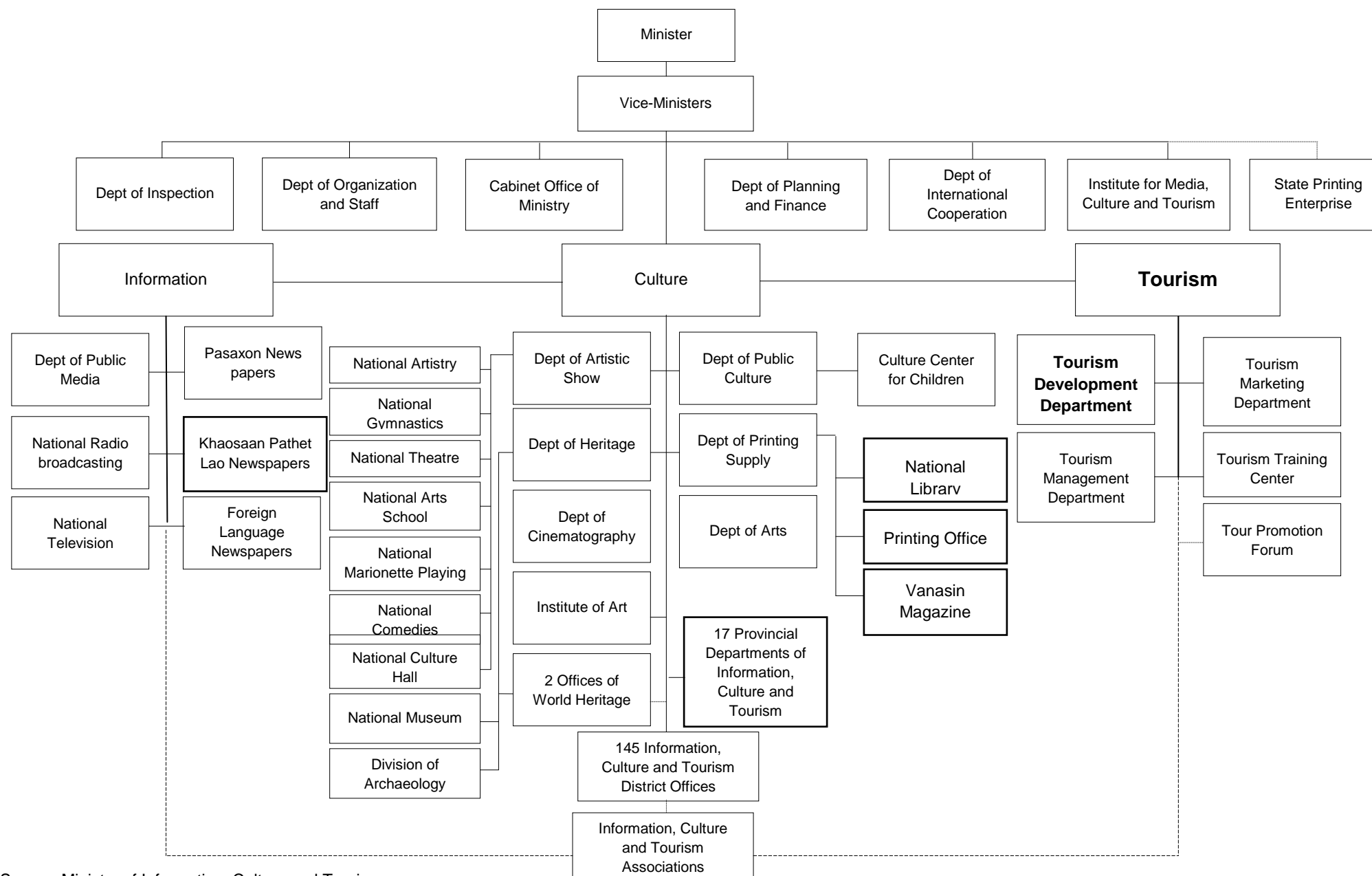
5. As its name suggests, the Ministry covers three areas of activity, namely information, culture and tourism (Figure 1). As part of its general duties MICT engages in (i) planning and implementing government and externally financed projects; (ii) drafting policies and strategic plans; (iii) drafting, managing and monitoring implementation of relevant laws and regulations; (iv) collaboration with international governments and development partners; and (v) monitoring and utilizing the National Tourism Fund for promotion and capacity building activities. There are four departments engaged in tourism activities, namely (i) the TDD; (ii) Tourism Management Department; (iii) Tourism Marketing and Promotion Department; and (iv) the Tourism Training Center, with line units operating in the DICTs. District Offices of Information, Culture and Tourism (OICT) comprise only a single combined tourism unit. MICT has a direct line of communication with its provincial offices (DICT) which also report to the provincial governors.

3. Tourism Development Department

6. The TDD is tasked with many duties. Those directly relevant to the project include (i) providing technical inputs for development of national tourism policies and strategic plans; (ii) liaising with relevant organizations and local authorities for the planning, development and maintenance of natural, cultural and historical tourism sites; (iii) providing professional advice on the approval of permits for tourism businesses; (iv) setting standards and categorizing tourism sites; (v) provide professional advice and vetting foreign investment in the tourism sector; and (viii) organizing and participating in tourism-related knowledge events; (ix) collection and analysis of tourism statistics; (ix) tourism-related enterprise promotion, (x) tourism-related infrastructure development, and (xi) project management. The structure of the TDD is shown in Figure 2.

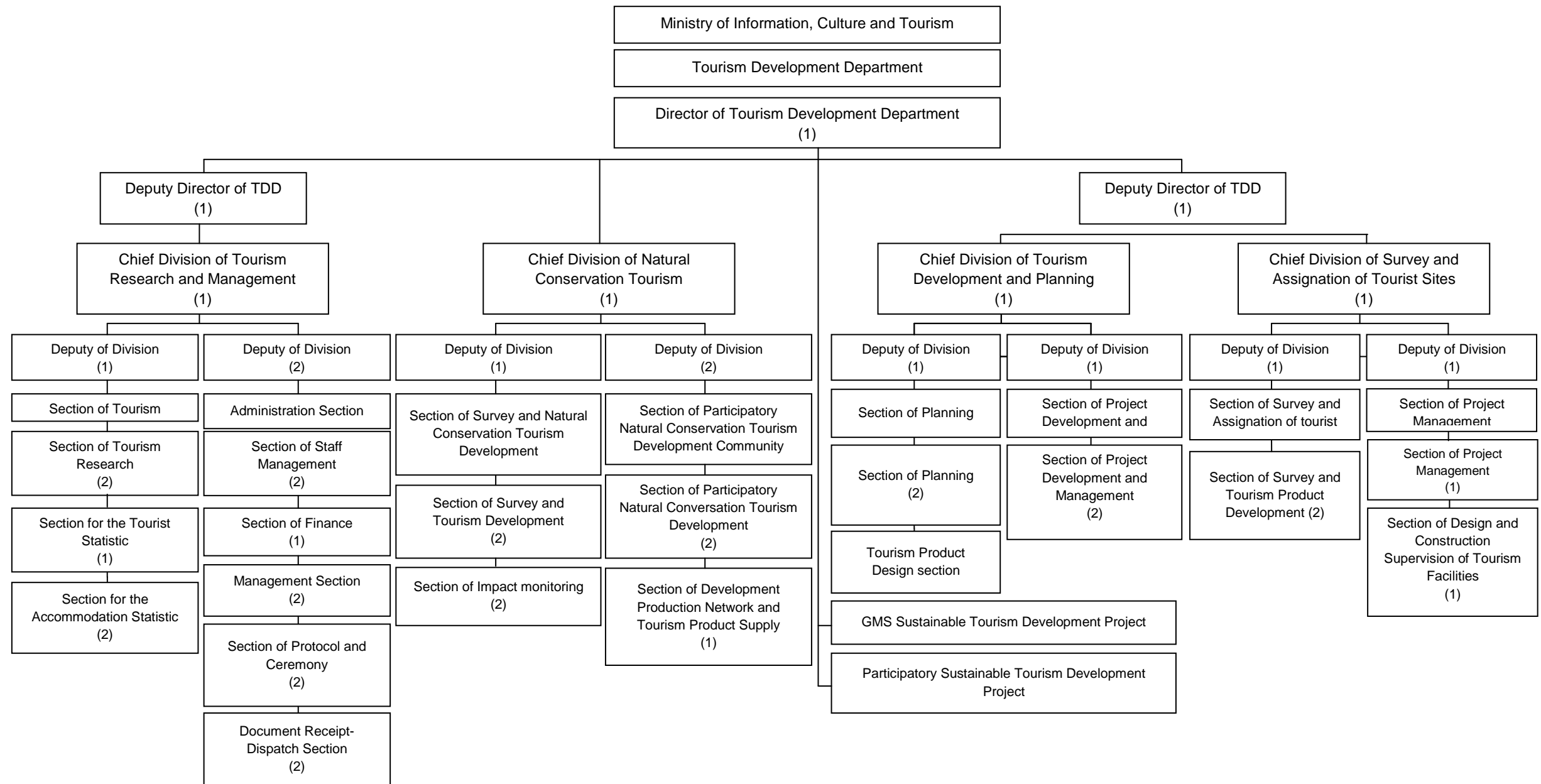
7. The roles of the Information and Culture Departments of the MICT are to some extent compatible with certain aspects of the project. The Information Department has a role in media development and so potentially a role to play in the marketing and promotion of the country's tourism assets. The Culture Department is directly concerned with the safeguarding and promotion of traditional values and culture, and the conservation of cultural and natural heritage sites.

Figure 1: Organizational Structure of the Ministry of Information, Culture and Tourism



Source: Ministry of Information, Culture and Tourism.

Figure 2: Tourism Development Department Organizational Structure and Staffing



Source: Ministry of Information, Culture and Tourism.

4. Ministry of Public Works and Transport

8. The Ministry of Public Works and Transport (MPWT) was set up under a Decree of the President's Office, No. 373/PO 200.³ This decree sets out the role, functions, organizational structure and working arrangement of the MPWT. The main function of MPWT is to implement directives, policies and plans of the Party and Government relating to public works and transport nationwide. MPWT is responsible for the overall direction, macro management and regulation of land, water and air transport, railways, housing, urban planning and water supply within the country.

9. MPWT is headed by a Minister and two Vice-Ministers. There are ten departments at the central level: (i) Housing and Urban Planning, which also oversees Nam Papa Lao, the state-owned water supply enterprise; (ii) Roads; (iii) Planning and Cooperation; (iv) Waterways and Public Works; (v) Transport; (vi) Civil Aviation; (vii) Personnel; (viii) Audit; (ix) Railway Authority; and (x) the Public Works and Transport Institute (which prepares master plans). Each province has a Department of Public Works and Transport (DPWT) and each district, an Office of Public Works and Transport (OPWT). During project implementation the provincial DPWTs in Khammouane, Luangprabang and Oudomxay will play a key role the implementation and later O&M of infrastructure subprojects.

10. Under MPWT, at the provincial level are the Urban Development and Administration Authorities (UDAAs). The enabling legislation for the UDAAs in the provincial capitals was Prime Ministerial Decree No. 177/PM. UDAAs were set up to plan, implement, manage and control urban development activities and over time to become full Urban Administration Authorities. UDAAs perform tasks previously undertaken by the Department of Public Works and Transport (DPWT) in their areas of jurisdiction, including the responsibility to construct, improve and maintain urban infrastructure and services including: roads, drainage, collection and disposal of solid waste and other refuse, river bank erosion and flood protection, sanitation, public lighting, and parks and gardens. UDAAs are also tasked to manage and control the implementation of standards for land use and all other development in the specific UDAA area, in cooperation with the various agencies concerned. In addition they are authorized to introduce revenue sources to carry out these functions. Revenue sources were identified and clarified in 2002 under the Decision of the Minister of Finance (MOF).⁴ The project will coordinate with the Khammouane DPWT and Thakhek UDAA on the That Sikhottabong Environmental Improvement Project, particularly to develop an O&M plan for the site to ensure suitable arrangements for solid waste collection and treatment, parking, wastewater treatment, public lighting, and emptying septic and wastewater tanks. The project will also coordinate with the Luangprabang UDAA on improvements to the ferry terminal and internal roads in Ban Xieng Maen.

B. Operations and Maintenance Arrangements for Project Facilities.

11. The following section outlines the institutional responsibility and financing for O&M of subproject sites. It is based on the assumption that routine and periodic maintenance of all road and footpaths will be the responsibility of the appropriate provincial DPWT, drawing on funds from their budgetary allocation. Based on available data, the income and expenditure of the DPWTs in the participating provinces over the past 3-4 years and over the period to 2024/2025 (seven years after project completion) is analysed to determine whether there is an adequate surplus generated to fund subproject road/footpath maintenance. DPWT's financial capability to undertake and sustain O&M is examined at the provincial level and thus in the case of Khammouane and Luangprabang, maintenance responsibilities of the two subproject sites in each province is examined jointly. For tourist facilities, O&M in all subproject sites will be the responsibility of the DICT's in cooperation with the designated village management committees,

³ Decree No 373/PO. Regarding the Organisation and Activity of the Ministry of Public Works and Transport. 22 October 2007

⁴ Decision of the Minister of Finance Regarding the Revenue Raising and Disbursement of Funds for the Urban Development and Administration Authority. No 2083/MOF. 18th October 2002.

utilizing revenue generated from the entrance fees to these facilities, from the rental of stalls and kiosks, and other on-site revenue generating mechanisms.

1. Xang Cave Access Improvement

12. Under the overall direction of the PIU Director and Project Manager, the Khammouane civil works team headed by a senior DPWT engineer will be responsible for overseeing the design and construction of works, and the procurement of equipment for the subproject.

13. **Subproject Description.** Xang Cave is situated in Ban Tham, Khammouane Province, approximately 6 km east of Thakhek City. Although international tourist arrivals in Thakhek reached 160,000 in 2012 and were growing at 33% per year, the site recorded only 5,000 visitors and less than \$16,000 in tourism revenue due to poor access and lack of facilities. To remove these constraints, the subproject will (i) upgrade the existing 4.0 km access road to Xang cave and nearby Ban Xieng Vaen to double bituminous surface treatment (DBST) standard with a 6.0 m carriageway and rehabilitate one road bridge; (ii) construct a secondary access road 500 m in length, together with a 20 m ford river crossing and box culverts; (iii) construct parking areas approximately of 4,000 m² and 1,000 m²; (iv) construct a multi-purpose tourist reception information center with male and female public toilet blocks, vendor kiosks and landscaped open spaces; (v) improve access paths and the cave's internal lighting system; (vi) install rubbish bins at key locations; and (vii) install signage and information boards.

14. **Maintenance of Roads and Associated Civil Works.** Upon completion of the subproject, DPWT will assume responsibility for the maintenance of the main 4.0 km access road to Ban Tham and to Ban Xieng Vaen, the vehicular ford, and bridges, culverts, drainage systems, embankments and related civil works. With the approval of Provincial Government, funds for all DPWT maintenance works will be drawn from the provincial budget.

15. Based on estimates of income and expenditure for the last past four fiscal years (2009-2013), the DPWT in Khammouane generated a surplus of KN70 million in 2009/10, rising to KN120 million in 2012/13. This excludes consideration of capital costs involved in new road construction projects. On the basis of these current budgetary estimates, forecasts of income and expenditure for the period 2013/14 to 2024/25 have been projected at an assumed rate of 5% per annum. These indicate that this surplus will continue to rise from KN126 million in 2013/14 to KN216 million by 2024/25. This will be adequate to meet the cost of both routine and periodic maintenance expenses of the main access road to Ban Tham and Ban Xieng Vaen, and the internal access roads at Sikhottabong Stupa.

16. Routine maintenance is calculated on the basis of KN1.2 million/km/year every year after completion of the subproject in 2018/19. Period maintenance is calculated on the basis of KN15 million/km to be carried out in 2022/23, 5 years after completion of the project. Annex 1 provides the details of estimated income and revenue projections for DPWT Khammouane, including consideration the costs of routine and periodic maintenance.

17. **Operations and Maintenance of Tourist Facilities.** The Ban Tham Management Committee with DICT support will assume responsibility for operations and maintenance of the multipurpose Tourist Reception Center and all associated facilities at Xang Cave, including vendor kiosks, public toilets, the vehicle parking area, footpaths and steps leading to the cave, and landscaped public open space and gardens. The Ban Xieng Vaen Management Committee will assume responsibility for routine maintenance of the vehicle parking area in the village. Both villages will receive project supported training in the following areas: (i) accounting, bookkeeping and general financial management; (ii) small enterprise development such as handicraft production and food and beverage service; (iii) heritage management and interpretation, including training to improve guide services; and (iv) tourism awareness, foreign language

training, and environmental management. DICT, with project support, will market and promote Xang Caves along with other caves in the vicinity.

18. Routine maintenance will be carried out by suitably qualified individuals from Ban Tham or Ban Xieng Vaen. Responsibility for more demanding periodic maintenance will be awarded to qualified local contractors. DICT will guide routine and periodic maintenance to ensure that procurement is transparent and takes into account the project's safeguards in respect to gender and ethnic balance. Given the sensitive nature of the cave environment any major maintenance will require specialist contracting services.

19. Funds to support operations and maintenance will be drawn from surplus income generated from tourist facilities built by the project. Annex 2 provides the details of revenue and expenditure for tourist facilities at the Xang cave for the period 2012-2025, including the seven year period immediately following completion of the project when the full impact of improvements will begin to be felt as the numbers of visitors begins to rise steeply.

20. Based on the conservative projected increase in visitor arrivals after project completion from around 15,600 (24% international) in 2018/19 to around 33,000 (30% international) in 2024/25, revenue generated by the various tourist facilities as a result of the projected increase in visitor arrivals will rise from about KN144.0 million⁵ (\$18,700) to about KN320.0 million (\$41,560). This will be generated from (i) cave entry fees which will be increased to KN12,000 for international visitors and KN6,000 for local visitors; (ii) charges for vehicle parking based on an average of KN10,000 per car/van and an assumption of 30% use by all visitors; (iii) use of public toilets (KN 2,000 per entry) assuming use by 50% of all visitors; and (iv) the rental of 6 kiosks for the sale of food, beverages, and souvenirs and handicrafts, for which there will be an initial three year grace period followed by a nominal rental of KN500,000/stall per year. All projections include an assumed 2% per annum increase in revenue over the 2018/19-2024/25 period.

21. Operational expenditure over the same period will increase from about KN135.0 million (\$17,530) to about KN157.0 million (\$20,390) per year. Operational costs include: (i) staff salaries of KN31.4 million, based on an assumption of 5 employees including a ticket office administrator, parking/toilet attendant, security guard, and two labourers for gardening and general maintenance; (ii) routine repair and maintenance of infrastructure and facilities and equipment at KN30.8 million; (iii) utility charges for electricity KN15.4 million; (iv) solid waste and septage management services of KN3.85 million; (v) administrative office supplies and meeting expenses of KN15.4 million; (vi) special festival expenses of KN15.4 million; (vii) continued post-project training for key village personnel (KN15.4 million); and other miscellaneous items such as insurance (KN 7.7 million). All projections include an assumed 2% annual increase in operational costs, except for salaries which are projected to increase at 3% per year.

22. Based on these projections of expenditure and revenue, O&M of the tourism facilities will be self sustaining. The site will generate a surplus, which after tax will rise from about KN8.0 million (\$1,040) in 2018/19 to KN147.0 million (\$19,091) in 2024/25.

23. **Public Utilities and Services.** Ban Tham and Ban Xieng Vaen rely on wells, boreholes and the river for their sources of water supply at present. They purchase or boil water for drinking. Sanitation is by means of septic tanks, the maintenance of which is by individual residents. Solid waste is collected and disposed of on-site by burning or burying. Some materials are recycled. Any arrangements made under the project to formalize O&M of public utilities and services will conform to the institutional responsibilities set out in paragraph 10. Power supply to the subproject is presently supplied by Electricite du Lao.

⁵ KN = Lao Kip

2. That Sikhottabong Environmental Improvements

24. Under the overall direction of the PIU Director and Project Manager, the Khammouane civil works team headed by a senior DPWT engineer will be responsible for overseeing the design and construction of works, and the procurement of equipment for the subproject.

25. **Subproject Description.** Sikhottabong stupa is a national heritage site 6 km south of Thakhek City in Khammouane Province, visited by up to 10,000 people per day during the annual Sikhottabong Festival, Lao New Year, and other public holidays. This causes significant traffic congestion and overwhelms on-site sanitary facilities. To address this, the subproject will (i) upgrade approximately 2 km of internal roads to sealed gravel pavement; (ii) rehabilitate existing internal road bridges; (iii) construct a 4,000 m² parking area; (iv) construct 20 male and 20 female public toilet blocks with sanitation; (v) rehabilitate an existing two storey structure to form a multipurpose tourist information center with exhibition area and interpretation facilities; (vi) construct food and beverage kiosks; (vii) develop hard and soft landscape features to create public green space for residents and tourists; (viii) construct a solid waste transfer station with a small materials recovery facility; and (ix) install rubbish bins, signage, and information boards.

26. **Maintenance of Roads and Associated Civil Works.** The DPWT will maintain the 2 km internal road and traffic management improvements along Highway 11, including carriageway widening to allow for safer entry/exit of traffic to/from the stupa compound, and creation of a central reservation. Highway maintenance works will be funded from the DPWT budget.

27. **Operations and Maintenance of Tourist Facilities.** The That Sikhottabong Management Committee is chaired by the Provincial Governor and includes several line departments, with day-to-day operation of the site overseen by the DICT. As such, the DICT will oversee O&M of the improved tourism information center and associated infrastructure and facilities including vendor kiosks, public toilets, parking, internal footpaths, and landscaped public open space and gardens. The project will provide training and support for site managers and local vendors in the following areas: (i) accounting, bookkeeping and general financial management; (ii) small enterprise development; (iii) heritage management and interpretation, including training to improve guide services; (iv) language training; (v) tourism awareness training, (vi) environmental management; and (vii) marketing and promotion.

28. Routine maintenance will be carried out by suitably qualified individuals from Thakhek or nearby villages. Responsibility for more demanding periodic maintenance will be awarded to qualified local contractors. DICT will guide routine and periodic maintenance and ensure that procurement is transparent and takes into account the project's safeguards in respect to gender and ethnic balance. Given the sensitive nature of the national heritage site any major maintenance requirement will require specialist contracting services.

29. Funds to support O&M will be drawn from surplus income generated from tourist facilities built or otherwise upgraded by the project. Annex 3 provides the details of revenue and expenditure for these facilities for the period 2012-2025, including the seven year period immediately following completion of the project.

30. Based on the conservative projected increase in visitor arrivals after project completion from around 144,480 in 2018/19 to around 232,000 in 2024/25 (a constant 30% assumed to be international), annual revenue generated by the tourist facilities at the compound will rise from about KN959.0 million (\$124,560) to about KN1,537.0 million (\$199,610) over the same period. This will be generated from: (i) entry fees of KN5,000 for international visitors and KN3,000 for local visitors; (ii) charges for vehicle parking based on an average of KN10,000 per car/van and an assumption of 30% use by all visitors; (iii) use of public toilets (KN2,000 per entry) assuming use by 50% of all visitors; and (iv) the rental of kiosks for the sale of food, beverages, religious

articles, souvenirs, and handicrafts. This includes 10 stalls operating permanently for which there will be a nominal rental of KN500,000/stall per annum, and about 50 stalls each operating during festival times for a period of about two weeks for which there will be a rental fee averaging at KN300,000/stall per annum. Private donations made to the stupa or of receipts from guide services are not included in the revenue calculations. All projections include an assumed 2% per annum increase in revenue over the 2018/19-2024/25 period.

31. Annual operational expenditure over the same period will also increase from about KN202.0 million (\$26,230) in 2018/19 to about KN237 million (\$20,780) in 2024/25. Operational costs will include: (i) staff salaries of KN82.2 million based on an assumption of 10 employees including a ticket office and general administrators, parking and toilet attendants, 2 security guards, and 4 casual laborers for gardening and general maintenance within the compound; (ii) 10 additional casual security and general maintenance staff employed during festival time at KN3.85 million; (iii) routine repair and maintenance of infrastructure and facilities at KN23.1 million, and of equipment at KN7.7 million; (iii) utility charges primarily for electricity (KN 15.4 million); (iv) solid waste and septage management services (KN7.70 million); (v) administrative office supplies and meeting expenses (KN 15.4 million); (vi) special festival expenses (KN38.5 million); (vii) continued post-project training (KN 7.7 million); and other miscellaneous items such as insurance (KN 7.7 million). All projections include an assumed 2% per annum increase in operational costs, except for salaries which are projected to increase at 3% per annum.

32. Based on these projections of expenditure and revenue O&M of the subproject's tourist facilities will be self sustaining. The site will generate a surplus which, after tax will rise from about KN681.0 million (\$88,440) in 2018/19 to about KN 1,170.0 million (\$151,950) in 2024/25.

33. **Public Utilities and Services.** The That Sikhottabong compound is presently supplied with a mains water supply by the provincial Nam Papa, a state owned enterprise. Sanitation of existing public toilets is by septic tanks. Maintenance of these is arranged through the UDAA via a private contractor. Under proposed O&M arrangements, the DICT will be responsible for the collection and the deposit of garbage to the small refuse transfer station to be built as part of the subproject. Transfer of solid waste from the stupa to the existing Thakhek landfill site will be the responsibility of the Thakhek UDAA. Electricite du Lao will be responsible for O&M of the power supply to the compound. Payment of user charges will be made directly to the service providers.

3. Chomphet Heritage District Access Improvements

34. Under the overall direction of the PIU Director and Project Manager, the Luangprabang civil works team headed by a senior DPWT engineer will be responsible for overseeing the design and construction of works and procurement of equipment for the subproject. The subproject will form part of a contract package managed by the Luangprabang PIU which will also includes the Ban Xang Hai-Pak Ou-Tham Ting Cave Access Improvement subproject.

35. **Subproject Description.** Chomphet Heritage District lies on the west bank of the Mekong River, opposite from the Town of Luangprabang, a UNESCO World Heritage Site that received 410,855 visitors in 2012. Although situated within the World Heritage Site boundaries, it receives less than 2% of Luangprabang's visitors, mainly because the dilapidated ferry terminal in Ban Xieng Mene prevents safe and reliable access. Poor access to other attractions also discourages tourists from crossing the Mekong. To address these constraints, the subproject will (i) upgrade the 250 m Mekong vehicle ferry terminal ramp to a 10 m wide concrete carriageway with drainage and embankment retention; (ii) rehabilitate concrete access paths and steps to adjacent passenger pier; (iii) construct a tourism information kiosk; (iv) upgrade 250 m of existing road in Ban Xieng Mene to DBST standard with 6.0 m wide carriageway and roadside drainage; (v) construct 2.2 km of walking paths with 2 male and female public toilet blocks, and upgrade other walking trails; (vi) rehabilitate 5 concrete river landings/steps beneath the temples north of the village. In Ban Chan Neua, the subproject will upgrade the small passenger pier and

500 m of internal footpaths; and (ii) construct a 1,000 m² vehicle parking area with vendor kiosks and male and female public toilet blocks. Rubbish bins, directional signage and information boards will be installed in both locations.

36. Maintenance of Roads and Associated Civil Works. DPWT Luangprabang will assume responsibility for maintenance of the (i) 250 m concrete access ramp from the vehicle ferry terminal point to Ban Xieng Mene; (ii) 250 m upgraded access road through the commercial area of Ban Xieng Mene; and (iii) all other footpaths, steps and passenger piers upgraded or constructed as part of the subproject. DPWT will undertake all such maintenance works in close coordination with DICT and the Luangprabang Department of Heritage. With the approval of Provincial Government, funds for such maintenance will be drawn down from the provincial budget.

37. Based on estimates of income and expenditure for the past four fiscal years (2009-2013) the provincial DPWT in Luangprabang generated a surplus of KN58 million in 2009/10 and KN178 million in 2012/13. This excludes consideration of capital costs involved in new road construction projects. On the basis of these current budgetary estimates, forecasts of income and expenditure for the period 2013/14 to 2024/25 have been projected at an assumed rate of 5% per annum. These indicate that this surplus will continue to rise from about KN187 million (\$24,286) in 2013/14 to about KN238.0 million (\$30,900) in 2018/19 immediately after the project is completed, and again to KN319.0 million (\$41,429) by 2024/25. This will be adequate to meet the cost of all routine and periodic maintenance assigned to DPWT as a result of the Chomphet Heritage District and Ban Xang Hai-Pak Ou-Tham Ting Cave access improvement subprojects.

38. Routine road maintenance in both cases is calculated on the basis of KN1.2 million/km/year every year after completion of the subproject in 2018/19. Periodic road maintenance is calculated on the basis of KN15 million/km to be carried out 5 years after completion of the project. Annex 4 shows the details of estimated income and revenue projections for DPWT Luangprabang including consideration the costs of routine and periodic maintenance for both provincial subprojects.

39. Funding for the repair and maintenance of the existing vehicle and passenger piers and terminals at Ban Xieng Mene will take into account existing arrangements whereby the Chomphet Ferry Association and Chomphet Boat Association each pay a percentage of their income to the District Government, which in turn through DPWT, assists with repairs and maintenance (Tables 2 and 3).

Table 2: Chomphet Ferry Association (vehicles and passengers) Income and Expenditure (2012/13)

Ferry Boats	9	Operate 3 ferries/day
Vehicle Charges (one way)	Car/pick up: KN35,000	
	Mini Van: KN45,000	
	Big truck.bus: KN80,000	
Association Income	KN700,000/day	
	KN21,000,000/month	
Association Expenditure	KN700,000/month	Association tax paid to Chomphet District
	KN450,000/month	Road & pier maintenance paid to Luangprabang UDAA
	KN400,000/month	Road & pier maintenance paid to Chomphet District
	KN 600,00/month	Operating costs
	KN 1,000,000/	Ferry maintenance

Source: Chomphet Ferry Association

40. Operations and Maintenance of Tourist Facilities. The Ban Chan Neua Management Committee in association with DICT will assume operations and maintenance responsibility for the vehicle parking area and adjacent stalls in Ban Chan Neua constructed under the project.

Funding to support operations and maintenance will be from revenue generated from entrance fees to the parking area (KN10,000 for cars and buses) and public toilets (KN2,000/person) and from the nominal rental of the stalls selling locally produced pottery products. Any small amounts of additional funding required for maintenance will be from DICT's budget allocation. Any sub contracts covering routine or periodic maintenance works will be monitored by DICT to ensure that they take into account the project's safeguards in respect of gender and ethnic balance.

Table 3: Chomphet Boat Association (passengers only) Income and Expenditure (2012/13)

Boats	88	Operate 11 boats/day on an 8 day cycle
Passenger Charges (one way)	Local: KN2,000/person	
	International: KN5,000/person	
	Carry-on Baggage: KN 2,000/piece	
Income/boat	KN120,000/day	
	KN456,000/month	Assume 3.8 days work/boat/month
Expenditure/boat	KN45,000/month	Chomphet District tax
	KN20,000/month	Luangprabang Province tax

Source: Chomphet Ferry Association

41. **Public Utilities and Services.** Ban Xieng Mene has a reticulated water supply system at present provided by the provincial Nam Papa. Sanitation is mostly by means of septic tanks maintained by individual residents. Taking advantage of additional refuse bins being provided under the subproject, the District Government through DPWT will extend existing arrangements to improve the collection of solid waste in Ban Xieng Mene and Ban Chan. Electricite du Lao will continue to responsible for the O&M of the power supply to the District.

4. Ban Xang Hai–Pak Ou–Tham Ting Caves Access Improvements

42. **Subproject Description.** Tham Ting cave is located in Pak Ou District, 30 km north of Luangprabang on the western bank of the Mekong River. The site received 120,141 visitors in 2012; however the poor condition of the road makes access difficult during much of the year, increases vehicle operating costs, and is a safety hazard for tourists and local residents. The subproject will therefore upgrade the existing 10 km Ban Xang Hai–Pak Ou access road to DBST standard with a 5–6 m carriageway and construct viewing lay-bys, roadside drainage, and culverts. At Ban Xang Hai, the subproject will (i) upgrade 1 km of footpaths and the internal drainage network; (ii) construct a 4,000 m² parking area; (iii) rehabilitate concrete steps to 3 passenger piers; (iv) upgrade 3 existing passenger piers; (v) construct a tourist information kiosk with male and female toilet blocks; and (vi) install rubbish bins, directional signage and information boards at strategic locations. At Ban Pak Ou the subproject will (i) construct 4,000 m² parking area with male and female toilet blocks; (ii) upgrade 500 m of internal roads/footpaths with sealed gravel pavement; and (iii) install rubbish bins, directional signage and information boards. Directly across from Ban Pak Ou at Tham Ting cave, the subproject will (i) supply two modular steel floating pontoons with ticket kiosks, handrails and other safety features; (ii) rehabilitate concrete steps and footpaths into the upper and lower caves, including electricity supply and lighting; (iii) upgrade existing male and female public toilet blocks; (iv) upgrade the existing souvenir/handicraft kiosks at the upper cave entrance; and (v) install rubbish bins, signage and information boards.

43. **Maintenance of Roads and Associated Civil Works.** DPWT Luangprabang will assume responsibility for maintenance of (i) the 10 km access road from Highway 13 to Ban Xang Hai and Pak Ou and all bridges, culverts, drainage systems, embankments and other related civil works. DPWT will also assume maintenance responsibility for all internal roads, footpaths and steps in Pak Ou and Ban Xang Hai constructed or improved by the project. With the approval of Provincial Government, funds for such maintenance will be drawn from the provincial budget.

44. Maintenance of the vehicle parking, public toilets, and kiosks provided by the project at Pak Ou and Ban Xang Hai will be the responsibility of the village associations drawing on the funds derived from parking and toilet entry charges and from the nominal rental for the kiosks. Maintenance costs for these facilities will be minimal and any shortfall in funds for maintenance can be addressed with village development funds or with funds drawn down from the provincial budget.

45. **Operations and Maintenance of Tourist Facilities.** Management of the Tham Ting Caves is presently the responsibility of the Pak Ou Village Management Association under the terms of a concession from the provincial government. The village pays a concession fee of KN1.45 billion (approximately \$188,000) to the District Government, and is granted rights to charge entry fees to the caves (presently KN20,000/international visitor and KN10,000/domestic visitor). After recovering the concession fee, the residual amount is shared between 21 families from Pak Ou, which manage the caves on the basis of an annual rotation system.⁶

46. Funds to support operations and routine maintenance of tourist facilities at the Tham Ting caves will be drawn from revenue generated from cave entry fees. These are presently KN20,000/international visitor and KN10,000/local visitor, and are assumed to remain constant after implementation of the project through to 2025.

47. Annex 5 sets out the details of revenue and expenditure for tourist facilities at the Tham Ting caves for the period 2012-2025, including the seven year period after completion of the subproject. Based on the projected increase in visitor arrivals after project completion from around 449,000 in 2018/19 to around 595,000 in 2024/25 (a constant 56% of visitors being international), revenue generated by the caves⁷ will rise from approximately KN6.625 billion (\$860,390) to approximately KN9.275 billion (\$1,243,450) over the same period.

48. Operational costs between 2018/19 to 2024/25 will increase from about KN2.627 billion (\$341,170) to KN3.646 billion (\$473,510). Operational costs do not include salaries for ticket collector, security and maintenance personnel working at the caves as these activities are undertaken by members of the 21 families managing the caves, with payment services made directly from profits made on cave entry ticket sales. Annual operational expenses are assumed to include: (i) routine repair and maintenance of infrastructure and facilities (KN19.25 million) and of equipment (KN15.4 million); (ii) utility charges for electricity (KN23.1 million); (iii) solid waste and septage management services (KN7.7 million); (iv) special festival expenses (KN38.5 million); (v) continued post-project training (KN15.4 million); and (vi) other miscellaneous items such as insurance (KN 7.7 million). The concession fee is assumed to rise from KN1.45 billion to KN 2.5 billion beginning in 2019. All other expenditure projections include an assumed 2% annual increase.

49. Based on these projections of expenditure and revenue O&M of the subproject will be self sustaining. The site will generate a surplus, which after tax, will rise from about KN 3.598 billion (\$467,270) in 2018/19 to KN5.067 billion (\$658,050) in 2025. Most of this surplus will accrue to the families holding the annual cave management concession.

50. The cost of routine O&M of the passenger piers and jetties at Pak Ou and at Tham Ting will be funded by taxes and fees paid by the Pak Ou Boat Association (Table 4) and periodic maintenance by the Provincial/District Department of Public Works and Transport, drawing funds from their respective budgets.

51. **Public Utilities and Services.** Water supply in Ban Xang Hai and Pak Ou is provided by the provincial Nam Papa and Department of Health. Sanitation is by means of septic tanks,

⁶ There are currently 88 families in Ban Pak Ou. Every four year a group of 21 families, or 25% of the number of families in the village, is given the opportunity to join the cave management concession.

⁷ The analysis includes entry charges only.

which are maintained by individual residents. Taking advantage of additional refuse bins being provided under the subproject, the District Government will extend existing arrangements to improve the collection of solid waste in Ban Xang Hai and Pak Ou. Based on the collection of user charges, Electricite du Lao will continue to responsible for the O&M of power supply to the District.

Table 4: Pak Ou Boat Association: Income and Expenditure (2012/13)

Boats	64	
Five villages in Association	Pak Ou, Ban Muang, Ban Kok Kham, Ban Koh, Ban Kok	Operate in 8 day cycles. One boat 3.8 days/month.
Passenger Charges	One way trip: KN13,000 Two way trip: KN26,000	
Income/boat	High season: KN230,000/day	
	Low season: KN50,000/day	
	Average: KN150,000/day	
	Average: KN570,000/month	
	Average: KN6,800,000/year	
Expenditure/boat	KN740,000/year	District Government tax
	KN240,000/year	DPWT inspection
	KN1,630,000/year	Fuel costs @ KN 12,000/litre/ 3 litres/day

Source: Pak Ou Boat Association

5. Chom Ong Cave Access Improvements

52. Under the overall direction of the PIU Director and Project Manager, the Oudomxay civil works team headed by a senior DPWT a senior DPWT engineer will be responsible for overseeing the design and construction of works and procurement of equipment for the subproject.

53. **Subproject Description.** Chom Ong cave in Oudomxay Province comprises an extensive and unique subterranean system with a total length of more than 16 km. Although Oudomxay received 142,307 visitors in 2012 only 500 reached the cave due to the very poor condition of the road, which becomes impassable in the rainy season. Beginning at two entry points connected to Route 13, the subproject will (i) upgrade 54 km of the main looping rural access road to DBST standard with variable 5–6 m carriageway, including construction of bridges, roadside drainage, culverts and embankment stabilization; (ii) upgrade a 3 km secondary access road to DBST standard with 4 m carriageway and 30 m bridge; (iii) construct a 2,000 m² parking area; (iv) upgrade the 500 m footpath and steps to the cave entrance; (v) construct a tourist reception center with full range of utilities, vendor kiosks, male and female toilet blocks, and landscaped riverside picnic areas; (vi) install a network of illuminated raised walking paths inside the cave⁸ to include handrails and other safety features; and (vii) install rubbish bins, and signage to present the special features of the cave.

54. **Maintenance of Roads and Associated Civil Works.** DPWT Oudomxay will assume responsibility for maintenance of the main and secondary access road and all bridges, culverts, drainage systems, embankments and other related civil works. With the approval of Provincial Government, funds for all such maintenance will be drawn DPWT's provincial budget allocation.

55. Based on estimates of income and expenditure for the last three fiscal years (2010-2013), DPWT Oudomxay generated a small surplus of KN 25.0 million in 2010/11 which fell to only KN 1.0 million in 2012/13. This excludes consideration of the capital costs of new road construction and routine maintenance of completed projects. On the basis of these current budgetary estimates, forecasts of income and expenditure for the period 2013/14 to 2024/25

have been projected, covering the seven year period following completion of the project in 2018/19. Forecasts indicate that there will be a constant surplus of approximately KN1.0 million throughout this period. However, this will not be adequate to meet the cost of both routine and periodic maintenance the improved access road.

56. Routine maintenance is calculated on the basis of KN1.2 million/km/year and will total KN68.4 million (about \$8,100) every year after completion of the subproject in 2018/19. Periodic maintenance is calculated on the basis of KN15.0 million/km. It will be carried out 5 years after completion of the project in 2022/23 and will total KN855.0 million (about \$106,000). Funding for these essential maintenance requirements will result in a budget deficit of KN67.4 million every year after completion of the project except in 2022/23 when, as a result of periodic maintenance, this deficit will rise to KN855.0 million. In order to ensure that there is sufficient maintenance of the project investment the Government will need assure that adequate funds will be provided. Annex 6 shows details of estimated income and revenue projections for DPWT Oudomxay, including consideration of routine and periodic maintenance costs.

57. **Operations and Maintenance of Tourist Facilities.** The Chom Ong Village Management Committee in association with DICT will assume responsibility for all aspects of O&M of the tourist reception center and associated facilities at the Chom Ong Cave. Chom Ong and nearby villages will receive project supported training in the following areas: (i) small enterprise development such as handicraft production and food and beverage service; (ii) heritage management and interpretation, including training to improve guide services; (iii) accounting, bookkeeping and general financial management; and (iv) tourism awareness, foreign language training, and environmental management. DICT, with project support, will market and promote the caves along with other nearby tourist attractions.

58. Routine maintenance will be carried out by suitably qualified individuals from Ban Chom Ong, and the project will support training to increase the skills of local contractors living in the village. Responsibility for more demanding periodic maintenance will be awarded to qualified local contractors. DICT will guide routine and periodic maintenance to ensure that procurement is transparent and takes into account the project's safeguards in respect to gender and ethnic balance. Given the sensitive nature of the cave environment any major maintenance will require specialist contracting services.

59. Funds to support O&M will be drawn from surplus income generated from tourist facilities built by the project. Annex 7 sets out the details of revenue and expenditure for tourist facilities at the Chom Ong cave for the period 2012-2025. Based on the conservative projected increase in visitor arrivals after project completion from around 10,400 in 2018/19 (48% international) to around 29,900 in 2025 (29% international) in 2025, revenue generated by the subproject's tourist facilities will rise from about KN135.0 million (\$17,530) to about KN344.0 million (\$44,670) over the same period. This revenue will be generated from: (i) cave entry fees of KN15,000 for international visitors and KN10,000 for local visitors; (ii) charges for vehicle parking based on an average of KN10,000 per car/bus and an assumption of 30% use by all visitors; (iii) use of public toilets (KN 2,000 per entry) assuming use by 50% of all visitors; and (iv) the rental of 6 kiosks for the sale of food, beverage and village-made souvenirs and handicrafts, for which there will be an initial three year grace period followed by a nominal rental of KN500,000//kiosk/year. All projections include an assumed 2% annual increase in revenue over the 2018/19-2024/25 period.

60. Annual operational expenditure over the same period will increase from about KN134.0 million (\$17,400) to about KN157.0 million (\$20,390). Operational costs include: (i) staff salaries (KN36.9 million) based on an assumption of 6 employees including a ticket office administrator, parking and toilet attendants, security guard, and two casual laborers for gardening and general maintenance; (ii) routine repair and maintenance of infrastructure (KN23.1 million) and of equipment (KN 7.7 million); (iii) utility charges for electricity (KN15.4 million); (iv) solid waste and septage management services (KN3.85 million); (v) administrative office supplies and meeting

expenses (KN15.4 million); (vi) special festival expenses (KN15.4 million); (vii) continued post-project training of village personnel (KN7.7 million); and other miscellaneous items such as insurance (KN7.7 million). All projections include an assumed 2% annual increase in operational costs, except for salaries which are projected to increase at 3%.

61. Based on these projections of income and expenditure O&M of tourist facilities at the Chom Ong Cave will be self sustaining. The site will also generate a small surplus. Net income after tax, will rise from about KN1.0 million (\$130.0) in 2018/19 to about KN168.0 million (\$21,818) in 2024/25.

62. **Public Utilities and Services.** There are no public utilities or services at the Chom Ong Cave site at present. Electricity supply to the tourist reception center, to be financed by the project, will be maintained by Electricite du Lao.

C. Summary of Institutional Responsibilities for O&M of Public Utilities and Services

63. Table 5 summarizes institutional responsibilities for O&M of public infrastructure and services at subproject sites.

Table 5: Summary of Institutional Responsibilities for O&M of Public Utilities and Services

Infrastructure, Public Utilities, and Services	Institutional Responsibility	
	Xang Cave and That Sikhottabong	Chomphet Heritage District; Ban Xang/Pak Ou/ Tham Ting Caves; Chom Ong Cave
Roads and bridges		
Provincial	DPWT	DPWT
District	UDAA	DPWT
Traffic management	DPWT/Traffic Police	DPWT/OPWT
River Piers	--	DPWT
Water supply	Nam Papa Lao	Nam Papa Lao
Wastewater collection and treatment	UDAA	District/Village
Sanitation	UDAA	District
Drainage	UDAA	DPWT
Solid waste management	UDAA	Private sector
Riverbank protection and flood control	UDAA	DPWT
Street lighting	UDAA	District
Parks and public open space	UDAA	District
Resettlement	District/UDAA	District
Disaster prevention	DLSW	DLSW
Tourist Facilities	DICT/Village	DICT/Village

DICT = Department of Information, Culture and Tourism; DLSW = Department of Labor and Social Welfare; DPWT = Department of Public Works and Transport; MPWT = Ministry of Public Works and Transport; OPWT = District Office of Public Works and Transport; UDAA = Urban Development Administration Authority

Source: Law on Urban Plans

Annex 1: Xang Cave Access Improvement Subproject: Tourist Facilities
Revenue and Expenditure Statement
(KN million)

Item	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Visitor Numbers (with project)												
International Tourists	2,025	2,430	2,795	3,214	3,696	4,250	4,888	5,621	6,464	7,433	8,548	9,831
Domestic Tourists	7,136	8,563	9,848	10,833	11,916	13,107	14,418	15,860	17,446	19,191	21,110	23,221
Total Tourists	9,161	10,993	12,642	14,046	15,612	17,358	19,306	21,481	23,910	26,624	29,658	33,051
Revenue												
Entrance Fees												
International	10	12	14	16	44	51	59	67	78	89	103	118
Domestic	21	26	30	32	71	79	87	95	105	115	127	139
Parking Fees					12	14	15	17	19	21	24	26
Toilet Fees					16	17	19	21	24	27	30	33
Stall/Kiosk Rental								3	3	3	3	3
Total Revenue	32	38	44	49	144	161	180	204	228	255	286	320
Expenditure												
Salaries					31	32	33	34	35	36	38	39
Repairs and Maintenance - Infrastructure					23	24	24	25	25	26	26	27
Repairs and Maintenance - Equipment					8	8	8	8	8	9	9	9
Utilities					15	16	16	16	17	17	17	18
Waste Disposal					4	4	4	4	4	4	4	4
Office Supplies					8	8	8	8	8	9	9	9
Meetings					8	8	8	8	8	9	9	9
Festival Related Expenses					15	16	16	16	17	17	17	18
Human Resource Development					15	16	16	16	17	17	17	18
Miscellaneous					8	8	8	8	8	8	8	8
Total Expenditure	-	-	-	-	135	138	141	144	147	150	154	157
Net Income before tax					9	23	39	60	81	105	132	163
Provision for income tax					1	2	4	6	8	10	13	16
Net Income					8	20	35	54	73	94	119	147

Annex 2: DPWT Khammouane: Income and Expenditure
(KN million)

Item	Actual						Projection						
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income	1,960	2,058	2,161	2,269	2,382	2,501	2,626	2,758	2,895	3,040	3,192	3,352	3,519
Expenditure													
Salaries	1,078	1,132	1,189	1,248	1,311	1,376	1,445	1,517	1,593	1,673	1,756	1,844	1,936
Administration	52	54	57	60	63	66	69	73	77	80	84	89	93
Utilities	581	610	640	672	706	741	778	817	858	901	946	993	1,043
Training	129	135	142	149	156	164	172	181	190	199	209	220	231
Total Expenditures	1,839	1,931	2,028	2,129	2,236	2,347	2,465	2,588	2,717	2,853	2,996	3,146	3,303
Surplus	120	126	133	139	146	154	161	170	178	187	196	206	216
Maintenance													
Ban Tham - Xieng Vaen							4.8	4.8	4.8	4.8	60.0	4.8	4.8
Stupa compound internal roads							2.4	2.4	2.4	2.4	30.0	2.4	2.4
Total Maintenance							-	7.2	7.2	7.2	7.2	7.2	7.2
Surplus							154	162	171	180	106	199	209

Annex 3: That Sikhottabong Environmental Improvement Subproject: Tourist Facilities
Revenue and Expenditure Statement
(KN million)

Item	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Visitor Numbers (with project)												
International Tourists	34,993	36,743	38,580	40,509	43,345	46,379	49,625	53,099	56,816	60,793	65,049	69,602
Domestic Tourists	81,651	85,734	90,020	94,521	101,138	108,218	115,793	123,898	132,571	141,851	151,781	162,405
Total Tourists	116,645	122,477	128,601	135,031	144,483	154,597	165,418	176,998	189,387	202,645	216,830	232,008
Revenue												
Entrance Fees												
International	175	184	193	203	217	232	248	265	284	304	325	348
Domestic	408	429	450	473	506	541	579	619	663	709	759	812
Parking Fees					87	93	99	106	114	122	130	139
Toilet Fees					144	155	165	177	189	203	217	232
Stall/Kiosk Rental					6	6	6	6	6	6	6	6
Total Revenue	583	612	643	675	959	1,026	1,097	1,174	1,256	1,343	1,437	1,537
Expenditure												
Salaries					56	57	59	61	63	65	67	69
Repairs and Maintenance - Infrastructure					23	24	24	25	25	26	26	27
Repairs and Maintenance - Equipment					8	8	8	8	8	9	9	9
Solid & Septage Waste Disposal					23	24	24	25	25	26	26	27
Waste Disposal					15	16	16	16	17	17	17	18
Office Supplies					8	8	8	8	8	9	9	9
Meetings					8	8	8	8	8	9	9	9
Festival Related Expenses					39	39	40	41	42	43	43	44
Human Resource Development					8	8	8	8	8	9	9	9
Miscellaneous					15	16	16	16	17	17	17	18
Total Expenditure	-	-	-	-	202	207	211	216	221	226	231	237
Net Income before tax					757	819	886	958	1,034	1,117	1,205	1,300
Provision for income tax					76	82	89	96	103	112	121	130
Net Income					681	737	797	862	931	1,005	1,085	1,170

Annex 4: DPWT Luangprabang Income and Expenditure

(KN million)

Item	Actual		Projection										
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income	1,236	1,298	1,363	1,431	1,503	1,578	1,657	1,740	1,827	1,918	2,014	2,114	2,220
Expenditure													
Salaries	578	606	637	669	702	737	774	813	853	896	941	988	1,037
Administration	47	50	52	55	57	60	63	66	70	73	77	81	85
Utilities	339	356	374	393	412	433	454	477	501	526	552	580	609
Training	95	99	104	109	115	121	127	133	140	147	154	162	170
Total Expenditure	1,058	1,111	1,167	1,225	1,286	1,351	1,418	1,489	1,564	1,642	1,724	1,810	1,901
Surplus	178	187	196	206	216	227	238	250	263	276	290	304	319
Maintenance													
Ban Xang Hai - Pak Ou Road							12.0	12.0	12.0	12.0	150.0	12.0	12.0
Ban Xang Hai - Pak Ou internal road/path /steps							1.1	1.1	1.1	1.1	1.1	1.1	1.1
Chomphet Concrete Ramp Road							1.2	1.2	1.2	1.2	12.0	1.2	1.2
Chomphet road/footpath/steps							1.9	1.9	1.9	1.9	1.9	1.9	1.9
Total Maintenance							-	16.2	16.2	16.2	16.2	165.0	16.2
Surplus								222	234	247	260	125	288

Annex 5: Ban Xang Hai–Pak Ou–Tham Ting Cave Access Improvement Subproject: Tourist Facilities
Revenue and Expenditure Statement
(KN million)

Item	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Visitor Numbers (with project)												
International Tourists	189,924	201,319	213,399	224,069	237,513	251,763	266,869	282,881	297,025	311,877	327,471	332,979
Domestic Tourists	154,232	161,944	170,041	178,543	187,470	196,844	206,686	217,020	227,871	239,265	251,228	261,592
Total Tourists	344,156	363,263	383,440	402,611	424,983	448,607	473,555	499,901	524,896	551,141	578,698	594,571
Revenue												
Entrance Fees												
International	3,798	4,026	4,268	4,481	4,750	5,035	5,337	5,658	5,941	6,238	6,549	6,660
Domestic	1,542	1,619	1,700	1,785	1,875	1,968	2,067	2,170	2,279	2,393	2,512	2,616
Parking Fees						-	-	-	-	-	-	-
Toilet Fees	-	-	-	-	-	-	-	-	-	-	-	-
Stall/Kiosk Rental												
Total Revenue	5,341	5,646	5,968	6,267	6,625	7,004	7,404	7,828	8,219	8,630	9,062	9,275
Expenditure												
Salaries												
Repairs and Maintenance - Infrastructure					19	20	20	20	21	21	22	22
Repairs and Maintenance - Equipment					15	16	16	16	17	17	17	18
Utilities					23	24	24	25	25	26	26	27
Solid & Septage Waste Disposal					8	8	8	8	8	9	9	9
Office Supplies						-	-	-	-	-	-	-
Meetings						-	-	-	-	-	-	-
Festival Related Expenses					39	39	40	41	42	43	43	44
Human Resource Development					15	16	16	16	17	17	17	18
Miscellaneous					8	8	8	8	8	9	9	9
Concession fee to Provincial/District Government	1,450	1,450	1,450	1,450	2,500	2,500	2,500	2,500	2,500	2,500	3,500	3,500
Total Expenditure	-	-	-	-	2,627	2,630	2,632	2,635	2,638	2,640	3,643	3,646
Net Income before tax	5,341	5,646	5,968	6,267	3,998	4,374	4,772	5,193	5,582	5,990	5,419	5,630
Provision for income tax					400	437	477	519	558	599	542	563
Net Income					3,598	3,937	4,295	4,674	5,024	5,391	4,877	5,067

Annex 6: DPWT Oudomxay: Income and Expenditure

(KN million)

Item	Actual					Projection									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Income	831	824	865	908	954	1,002	1,052	1,104	1,159	1,217	1,278	1,342	1,409	1,480	
Expenditure															
Salaries	531	538	565	593	623	654	687	721	757	795	835	877	921	967	
Administration	29	28	29	31	32	34	36	37	39	41	43	45	48	50	
Utilities	210	201	211	222	233	245	257	270	283	297	312	328	344	361	
Training	58	56	59	62	65	68	71	75	79	83	87	91	96	100	
Total Expenditure	829	823	864	908	953	1,001	1,051	1,103	1,158	1,216	1,277	1,341	1,408	1,479	
Surplus	2	1	1	1	1	1	1	1	1	1	1	1	1	1	
Maintenance															
Chom Ong Main/Secondary Access Road								68.4	68.4	68.4	68.4	855.0	68.4	68.4	
Total Maintenance								-	68.4	68.4	68.4	68.4	855.0	68.4	68.4
Surplus (Deficit)									(67)	(67)	(67)	(67)	(854)	(67)	(67)

Annex 7: Chom Ong Cave Access Improvement Subproject: Tourist Facilities
Revenue and Expenditure Statement
(KN million)

Item	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Visitor Numbers (with project)												
International Tourists	1,375	2,145	3,003	3,942	4,967	6,048	6,845	7,187	7,546	7,924	8,320	8,736
Domestic Tourists	742	1,632	2,692	3,949	5,429	7,167	9,197	11,562	14,309	17,488	19,237	21,161
Total Tourists	2,117	3,777	5,695	7,891	10,396	13,215	16,042	18,749	21,855	25,412	27,557	29,897
Revenue												
Entrance Fees												
International	14	21	30	39	76	93	105	111	116	122	128	135
Domestic	7	16	27	39	38	50	64	80	99	121	133	147
Parking Fees					10	13	16	19	22	25	28	30
Toilet Fees					10	13	16	19	22	25	28	30
Stall/Kiosk Rental								3	3	3	3	3
Total Revenue	21	37	56	78	135	169	201	231	262	297	320	344
Expenditure												
Salaries					37	38	39	40	42	43	44	45
Repairs and Maintenance - Infrastructure					23	24	24	25	25	26	26	27
Repairs and Maintenance - Equipment					8	8	8	8	8	9	9	9
Utilities					15	16	16	16	17	17	17	18
Solid & Septage Waste Disposal					5	5	5	5	5	5	5	5
Office Supplies					8	8	8	8	8	9	9	9
Meetings					8	8	8	8	8	9	9	9
Festival Related Expenses					15	16	16	16	17	17	17	18
Human Resource Development					8	8	8	8	8	9	9	9
Miscellaneous					8	8	8	8	8	9	9	9
Total Expenditure	-	-	-	-	134	137	140	143	147	150	153	157
Net Income before tax					1	32	61	88	115	147	166	187
Provision for income tax					0	3	6	9	12	15	17	19
Net Income					1	29	55	79	104	132	150	168