

Project Administration Manual

Project Number: 46422-003
September 2015

Republic of the Union of Myanmar: Greater Mekong
Subregion East-West Economic Corridor Eindu to
Kawkareik Road Improvement Project

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

Department of Highways of the Ministry of Construction (MOC) is wholly responsible for the implementation of the ADB-financed project, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff are responsible to support implementation including compliance by the Department of Highways of MOC of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations, the Borrower and ADB shall agree to the PAM and ensure consistency with the Loan Agreement. Such agreement shall be reflected in the minutes of Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President, changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

ABBREVIATIONS

ADB	–	Asian Development Bank
CEMP	–	contractors' environmental management plan
DOH	–	Department of Highways
EMP	–	environmental management plan
FIDIC	–	International Federation of Consulting Engineers (Fédération Internationale Des Ingénieurs-Conseils)
FMA	–	financial management assessment
FMS	–	financial management system
ICB	–	international competitive bidding
km	–	kilometer
m	–	meter
MIS	–	management information system
MOF	–	Ministry of Finance
MOC	–	Ministry of Construction
PAM	–	project administration manual
PMU	–	project management unit
QCBS	–	quality- and cost-based selection
SOE	–	statement of expenditure
SPS	–	safeguards policy statement
TOR	–	terms of reference

I. PROJECT DESCRIPTION

A. Rationale

1. The project will support the improvement of the Greater Mekong (GMS) East-West Economic Corridor (EWEC) road, between Eindu and Kawkareik in Kayin State, Myanmar, hereinafter referred to as the project road.

B. Impact and Outcome

2. The project impact will be improved trade between Myanmar and Thailand. The project outcome will be improved connectivity to and within Kayin State and to Thailand. The Design and Monitoring Framework (DMF) is presented in Part IX.

C. Outputs

3. The project output will be the improvement of 66.4 kilometers (km) of road between Eindu and Kawkareik. The completed road's main alignment will have two traffic lanes of 3.5 meter (m) traffic lanes with 1.5m wide paved shoulders. The access road to Kyon Doe river port within the project road section, about 0.6km long, will also be reconstructed. This will facilitate transport interchange between the project road and the region's extensive inland waterway network. The road design speed will be 80 km per hour outside built-up areas. In general, the horizontal alignment of the road will follow the existing centreline. However, to improve road safety, about 15 km of the road alignment will deviate from the existing alignment by up to 200m. The road improvement works will also include 19 new bridges and 78 box culverts to improve drainage and water management, especially in the major flood prone areas between Km. 34 to Km. 52.

4. The existing Gyaing (Kawkareik) Bridge, within the project road length, will be replaced with funding support from the Government of Japan.

II. IMPLEMENTATION PLANS

5. The project is expected to be approved in November 2015. After loan effectiveness, anticipated in May 2016, the project implementation period is 3.5 years. The project is expected to be physically completed by 30 September 2019. The loan closing date will be 31 March 2020. Monitoring of project performance and outcome will be until 31 December 2020, including preparation of the project completion report. The project's milestones of readiness activities and overall project implementation are as follow:

A. Project Readiness Activities

ADB	2015												2016						Responsible
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Assistance with advance contracting actions		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		ADB
Establish project implementation arrangements		X	X																ADB
ADB Board Approval										X									ADB
Loan Signing														X					ADB/GOM
Loan Effectiveness																	X		ADB/GOM

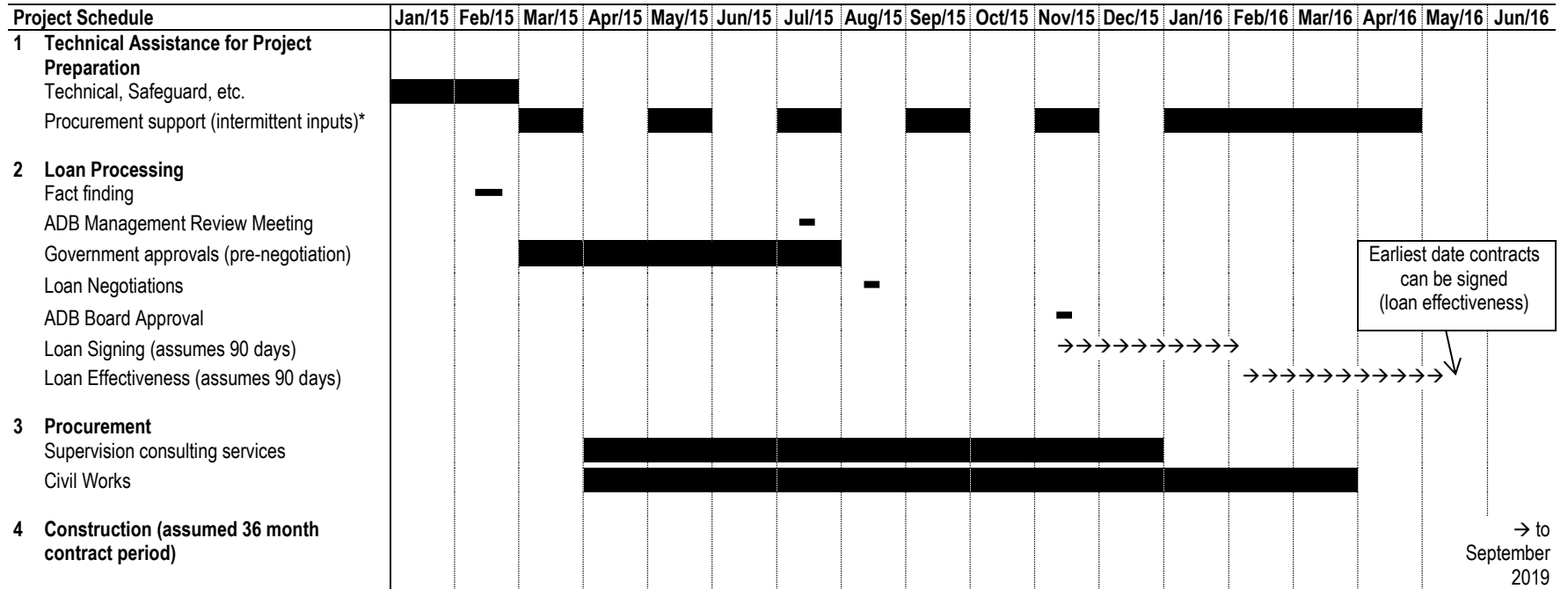
ADB = Asian Development Bank, GOM = Government of Myanmar.

Government of Myanmar	2015												2016						Responsible
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Establish PMU		X	X	X															MOC/DOH
Advance procurement action		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		MOC/DOH
Establish project implementation arrangements			X	X															MOC/DOH
Counterpart funds allocated for first year				X															MOC/MOF
Final PAM endorsed								X											MOC/ADB
Government approval of project obtained			X	X	X	X													GOM/ President/ Parliament
Government legal opinion provided													X						GOM/ADB
Government budget inclusion																X			GOM
Loan effectiveness																	X		ADB

ADB = Asian Development Bank, DOH = Department of Highways, GOM = Government of Myanmar, MOC = Ministry of Construction, MOF = Ministry of Finance, PAM = project administration manual, PMU = project management unit.

Source: Asian Development Bank.

B. Project Implementation Plan



* separate from civil works and consulting
ADB = Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations–Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing Agency:	
<ul style="list-style-type: none"> • Ministry of Construction 	<ul style="list-style-type: none"> • Responsible for overall project oversight
Implementing Agency:	
<ul style="list-style-type: none"> • Department of Highways 	<ul style="list-style-type: none"> • Establishment of the PMU; • Timely provision of counterpart funds for project activities; • Recruiting and supervising consultants and contractors • Bid evaluation and contract signing • Quality assurance of works and services of consultants, contractors and counterpart staff; • Establishing a strong financial management system and submitting timely withdrawal applications to ADB, ensuring financial audits are conducted as per agreed timeframe and taking recommended actions; • Complying with all covenants in the Loan Agreement; • Collecting and retaining all support documents, reporting documents and annual audit reports and financial statements.
<ul style="list-style-type: none"> • Project Management Unit 	<ul style="list-style-type: none"> • Finalizing bidding documents, managing the procurement of consultants and contractors, and finalizing contract awards; • Monitoring and evaluation of project activities and outputs, including periodic review, preparation of review reports, identifying issues and action plans; and • Preparing regular periodic progress reports, and the project completion report • Managing the project's imprest account.
<ul style="list-style-type: none"> • Ministry of Finance 	<ul style="list-style-type: none"> • Signing the project's loan agreements; • Providing documents and other requirements for loan effectiveness; • Allocating and releasing counterpart funds; • Providing ADB with details of the authorized staff with specimen signatures for withdrawal application processing; • Requesting extensions of the loan closing date; and • Processing and submitting to ADB any request,

Project Implementation Organizations	Management Roles and Responsibilities
Asian Development Bank	<p>when required, for reallocating the loan proceeds.</p> <ul style="list-style-type: none"> • Assist MOC, DOH and the PMU with assistance at each stage of project implementation in accordance with the agreed implementation arrangements; • Review all the documents that require ADB approval; • Conduct an inception mission, periodic loan review missions, a mid-term review, a completion mission for the project, and an overall project completion mission; • Monitor and ensure compliance with all loan covenants; • Process withdrawal applications and release payments to contractors, consultants, and others as appropriate; • Monitor compliance with financial audit recommendations; • Regularly update ADB's project performance review reports with assistance from DOH and progress reports; and • Regularly post on the ADB website updated project information documents for public disclosure.

ADB = Asian Development Bank, MOC = Ministry of Construction, PMU = project management unit.

B. Key Persons Involved in Implementation

Executing Agency

Ministry of
Construction/Department of
Highways

Officer's Name	U Win Pe
Position	Director General
Telephone	+95 67 407 074
Email address	winpe81@gmail.com .

PMU

Officer's Name	U Win Lwin
Position	Project Director
Telephone	+95 95153149
Email address	wnlwn5@gmail.com

ADB

Southeast Asia Transport and
Communications Division (SETC)

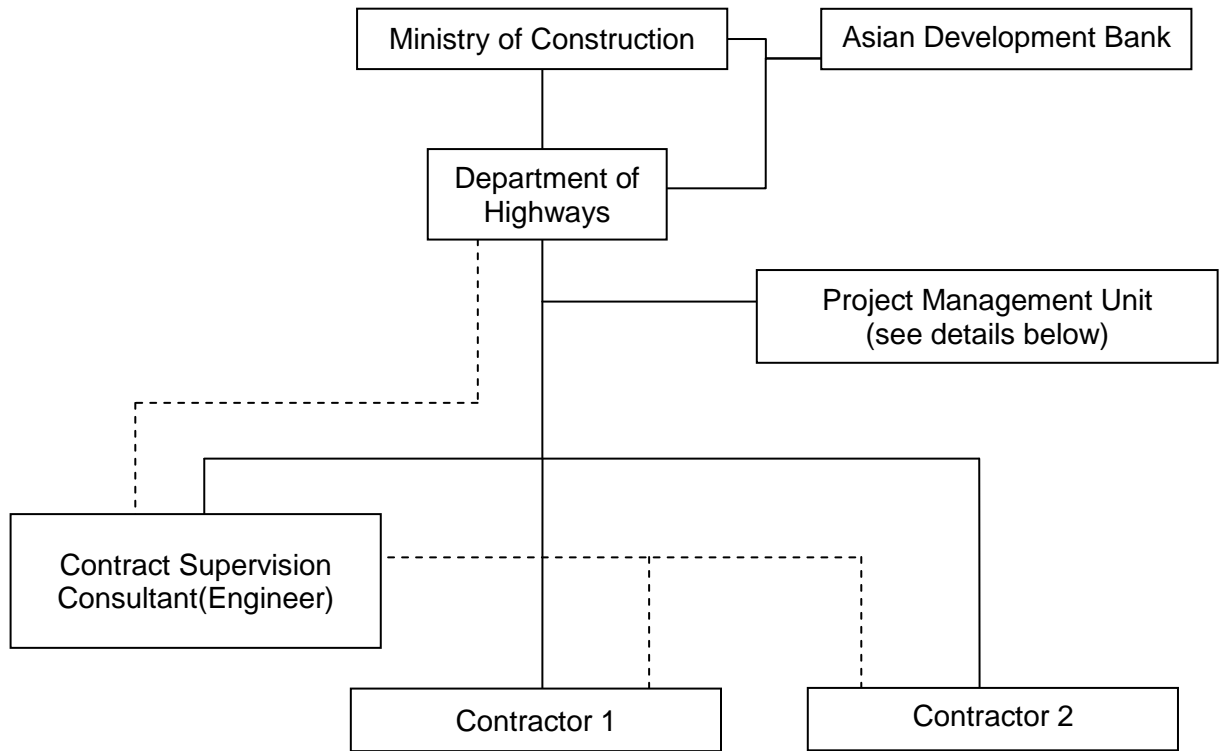
Staff Name	Hideaki Iwasaki
Position	Director
Telephone No.	(632) 6325413
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Myanmar Resident Mission	Staff Name	Winfried Wicklein
	Position	Country Director
	Telephone No.	+95 9450038822
	Email Address	wwicklein@adb.org
Mission Leader	Staff Name	James Leather
	Position	Principal Transport Specialist
	Telephone No.	(632) 6326605
	Email address	jleather@adb.org

C. Project Organization Structure

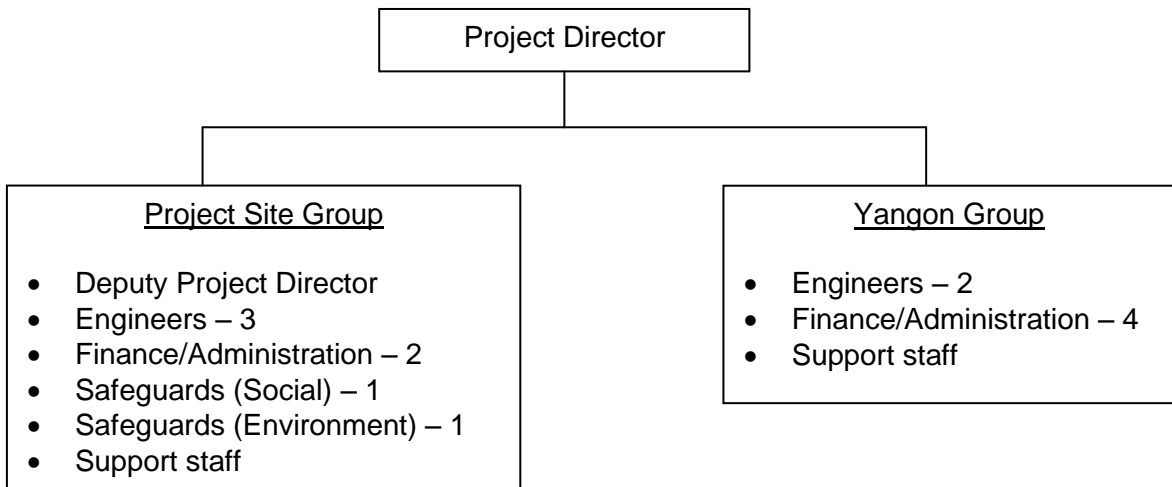
6. The project's executing agency will be MOC, and the implementing agency will be DOH. DOH has established a project management unit (PMU) that will be responsible for the day-to-day management of the project. The PMU is headed by a full-time project director, and is staffed with engineering, financial, administrative and safeguards specialists. The PMU will be based in Yangon, with an appropriately staffed and resourced office within the project area. Below is an outline organization chart for the project and for the PMU.

PROJECT ORGANIZATION CHART



— Administrative relationship
 - - - - Contractual relationship

PROJECT MANAGEMENT UNIT



IV. COSTS AND FINANCING

7. The project is estimated to cost \$121.8million, see Table 1 below.

Table 1: Project Investment Plan (\$ million)

Item	Amount ^a
A. Base Costs^b	
1. Civil Works	89.0
2. Utilities relocation (power and telecommunications)	1.2
3. Environment and Social Mitigation (land and resettlement) ^c	0.6
4. Project Management and Contract Supervision Consultants	6.0
5. Incremental Administration Costs ^d	0.6
Subtotal (A)	97.4
B. Contingencies^e	
1. Physical	9.7
2. Price	11.6
Subtotal (B)	21.3
C. Financing Charges During Implementation^f	
1. Interest During Implementation	3.1
Subtotal (C)	3.1
Total Project Cost (A+B+C)	121.8

^a Includes taxes and duties of about \$5.5 million to be financed from A Loan (\$4.5) and B Loan (\$1.0) loan resources. The following principles were followed in determining the amount of taxes and duties to be financed by the Asian Development Bank (ADB): (i) it is consistent with the current interim country partnership strategy; (ii) the amount does not represent an excessive share of the project investment plan; (iii) the taxes and duties apply only to ADB/ASEAN Infrastructure Fund (AIF)-financed expenditures; and (iv) the financing of the taxes and duties is material and relevant to the success of the project.

^b In January 2015 prices.

^c The estimated cost includes (i) land acquisition and resettlement (\$580,000 including independent monitoring), and (ii) environment (\$20,000 including replacement tree planting).

^d Costs to be financed include project management unit travel allowances, office operation and maintenance, utilities, and consumable supplies.

^e Physical contingencies computed at 10% of base costs. Price contingencies computed for foreign exchange costs and local currency costs based on projected annual rates over the project's implementation period. The price contingencies include provision for the potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^f Includes A Loan and B Loan. For the A loan, interest during construction has been computed at 1% per annum. For the B Loan, interest during construction has been computed at the 5-year (corresponding to the implementation period) US dollar fixed swap rate plus an AIF spread of 1.4%. The commitment charge of 0.15% per annum on undisbursed balance of the B Loan is currently waived subject to annual approval of the AIF Board of Directors, and this waiver is expected to be maintained for some years). The interest charges of both the A Loan and the B Loan will be capitalized.

Source: Asian Development Bank.

8. Of the total project cost of \$121.8 million, the Government will finance \$1.8 million for utility relocation and land acquisition and resettlement, as shown in Table 1. ADB will arrange financing for the remaining \$120 million.

9. The government has requested a loan in various currencies equivalent to SDR71,258,000 (\$100.0 million equivalent) from ADB's Special Funds resources (A Loan) and a loan of \$20 million funded through the participation of the AIF (B Loan) to help finance the project.¹ The A Loan will have a 32-year term, including a grace period of 8 years, an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter, and such other

¹ ADB and AIF financing may finance local transportation and insurance costs.

terms and conditions set forth in the draft A Loan agreement. The ADB-administered B Loan of \$20.0 million will have a 20-year term, including a grace period of 5 years, a straight line repayment method, an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility (LIBOR 6 month plus 1.4%), a commitment charge of 0.15% per year on the undisbursed balance (currently this is waived on an annual basis by the AIF Board, and this waiver is expected to continue for some years) and such other terms and conditions set forth in the draft loan agreements. Based on this, the average loan maturity is 12.75 years and the maturity premium payable to ADB is 0% per annum. The B Loan will finance the same output as the A Loan on a pro-rata basis.²

10. The financing plan reflecting these arrangements is presented in Table 2 below.

Table 2: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Asian Development Fund (loan)	100.0	82.1
ASEAN Infrastructure Fund	20.0	16.4
Government	1.8	1.5
Total	121.8	100.0

Source: Asian Development Bank.

² The pro-rata ratio is decided between the A Loan and the B Loan amounts, in this case 83.33% from the A Loan and 16.67% from the B Loan.

A. Detailed Cost Estimates by Expenditure Category

		\$ million	
Item		Total Cost	% of Total Base Cost
A. Investment Costs			
1.	Civil Works	89.0	73.0
2.	Utilities (power and telecom)	1.2	1.0
3.	Environment and Social Mitigation	0.6	0.5
4.	Project Management and Contract Supervision Consultants	6.0	5.0
5.	Incremental Administration Costs	0.6	0.5
	Subtotal (A)	97.4	80.0
B. Contingencies			
1.	Physical	9.7	8.0
2.	Price	11.6	9.5
	Subtotal (B)	21.3	17.5
C. Financing Charges During Implementation			
1.	Interest During Implementation	3.1	2.5
	Subtotal (C)	3.1	2.5
Total Project Cost (A+B+C)		121.8	100.0

Source: ADB estimates.

B. Allocation and Withdrawal of Loan Proceeds

1. Asian Development Fund (ADF) Loan (A Loan)

11. Table 4A sets forth the categories of works and other items to be financed out of the proceeds of the A loan and the allocation of amounts to each such category.

Table 4A: Allocation and Withdrawal of A Loan Proceeds

Number	Item	Amount Allocated Category (\$)	Basis for Withdrawal from the Loan Account
1	Works	[74.1]	83.3% of total expenditure claimed
2	Project Management and Contract Supervision Consultants	[5.0]	83.3% of total expenditure claimed
3	Incremental Administrative Costs	[0.5]	83.3% of total expenditure claimed
4	Interest during Implementation	[2.0]	100% of amounts due
5	Unallocated	[18.4]	
	Total	[100.0]	

2. ASEAN Infrastructure Fund (AIF) Loan (B Loan)

12. Table 4B sets forth the categories of works and other items to be financed out of the proceeds of the B loan and the allocation of amounts to each such category.

Table 4B: Allocation and Withdrawal of B Loan Proceeds

Number	Item	Amount Allocated Category (\$)	Basis for Withdrawal from the Loan Account
1	Works	[14.9]	16.7% of total expenditure claimed
2	Project Management and Contract Supervision Consultants	[1.0]	16.7% of total expenditure claimed
3	Incremental Administrative Costs	[0.1]	16.7% of total expenditure claimed
4	Interest and commitment charges during Implementation	[1.1]	100% of amounts due
5	Unallocated	[2.9]	
	Total	[20.0]	

C. Detailed Cost Estimates by Financier

ITEMS	A Loan ^a		B Loan		Government ^b		Total Cost (\$ million)
	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	
A. Investment Costs							
1. Civil Works	74.1	83.3	14.9	16.7	0.0	0.0	89.0
2. Utilities (power and telecom)	0.0	0.0	0.0	0.0	1.2	100.0	1.2
3. Environment and Social Mitigation (Resettlement)	0.0	0.0	0.0	0.0	0.6	100.0	0.6
4. Project Management/Contract Supervision Consultants	5.0	83.3	1.0	16.7	0.0	0.0	6.0
5. Incremental Administration Cost	0.5	83.3	0.1	16.7	0.0	0.0	0.6
Subtotal (A), Base Cost	79.6	81.7	16.0	16.4	1.8	1.8	97.4
B. Contingencies	18.4	86.4	2.9	15.1	0.0	0.0	21.3
C. Financing Charges During Implementation	2.0	64.5	1.1	0.0	0.0	0.0	3.1
Total Project Cost (A+B+C)	100.0		20.0		1.8		121.8
% Total Project Cost		82.1		16.4		1.5	100.0

^a Taxes and duties financed from the A and B loans.

^b Annual audit financed by Government.

D. Detailed Cost Estimates by Outputs

ITEMS	Total Cost	Output 1	
		Amount	% of Cost Category
A. Investment Costs			
1. Civil Works	89.0	89.0	100.0
2. Utilities (power and telecom)	1.2	1.2	100.0
3. Environment and Social Mitigation (Resettlement)	0.6	0.6	100.0
4. Project Management/Contract Supervision Consultants	6.0	6.0	100.0
5. Incremental Administration Cost	0.6	0.6	100.0
Subtotal (A), Base Cost	97.4	97.4	100.0
B. Contingencies			
1. Physical	9.7	9.7	100.0
2. Price	11.6	11.6	100
Subtotal (B)	21.3	21.3	100.0
C. Financing Charges During Implementation			
1. Interest During Implementation	3.1	3.1	100.0
Subtotal (C)	3.1	3.1	100.0
Total Project Cost (A+B+C)	121.8	121.8	100.0

E. Detailed Cost Estimates by Year

ITEMS	\$ million					
	Total	2015	2016	2017	2018	2019
A. Investment Costs						
1. Civil Works	89.0	0.0	8.9	26.7	31.2	22.2
2. Utilities (power and telecom)	1.2	1.0	0.2	0.0	0.0	0.0
3. Environment and Social Mitigation	0.6	0.3	0.3	0.0	0.0	0.0
4. Project Management and Contract Supervision Consultants	6.0	0.0	0.7	2.5	1.5	1.3
5. Incremental Administration Costs	0.6	0.0	0.2	0.2	0.1	0.1
Subtotal (A) (Base Cost)	97.4	1.3	10.3	29.4	32.8	23.6
B. Contingencies	21.3	0.0	4.8	7.7	7.8	1.0
C. Financing Charges During Implementation	3.1	0.0	0.2	0.5	1.1	1.3
Total Project Cost (A+B+C)	121.8	1.3	15.3	37.6	41.7	25.9
% Total Project Cost	100.0	1.0	12.6	30.9	34.2	21.3

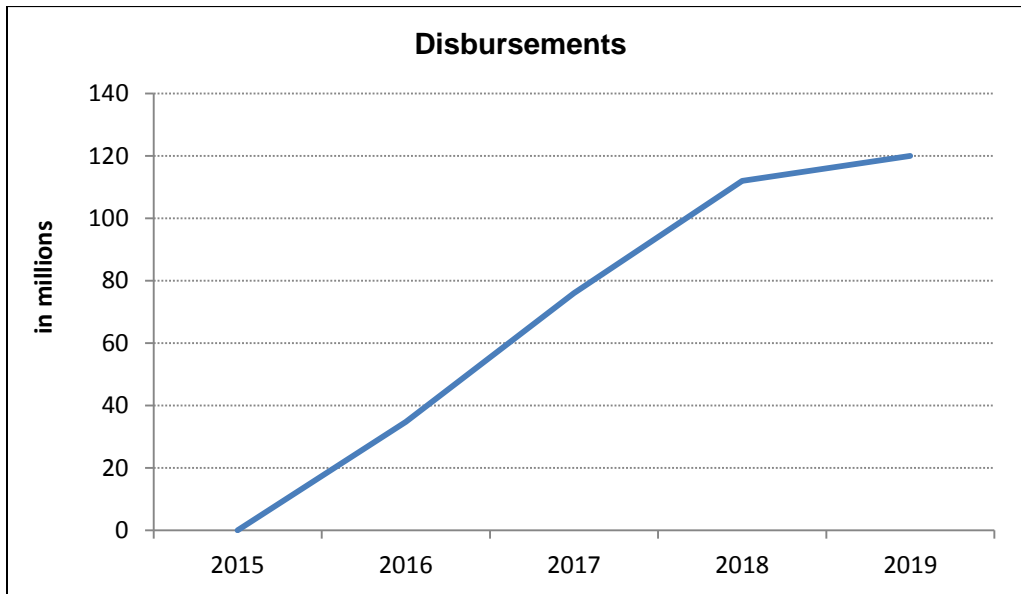
Source: ADB estimates.

F. Contract and Disbursement S-curve

13. The graph below shows the contract awards and disbursement projections over the implementation period for the Project.



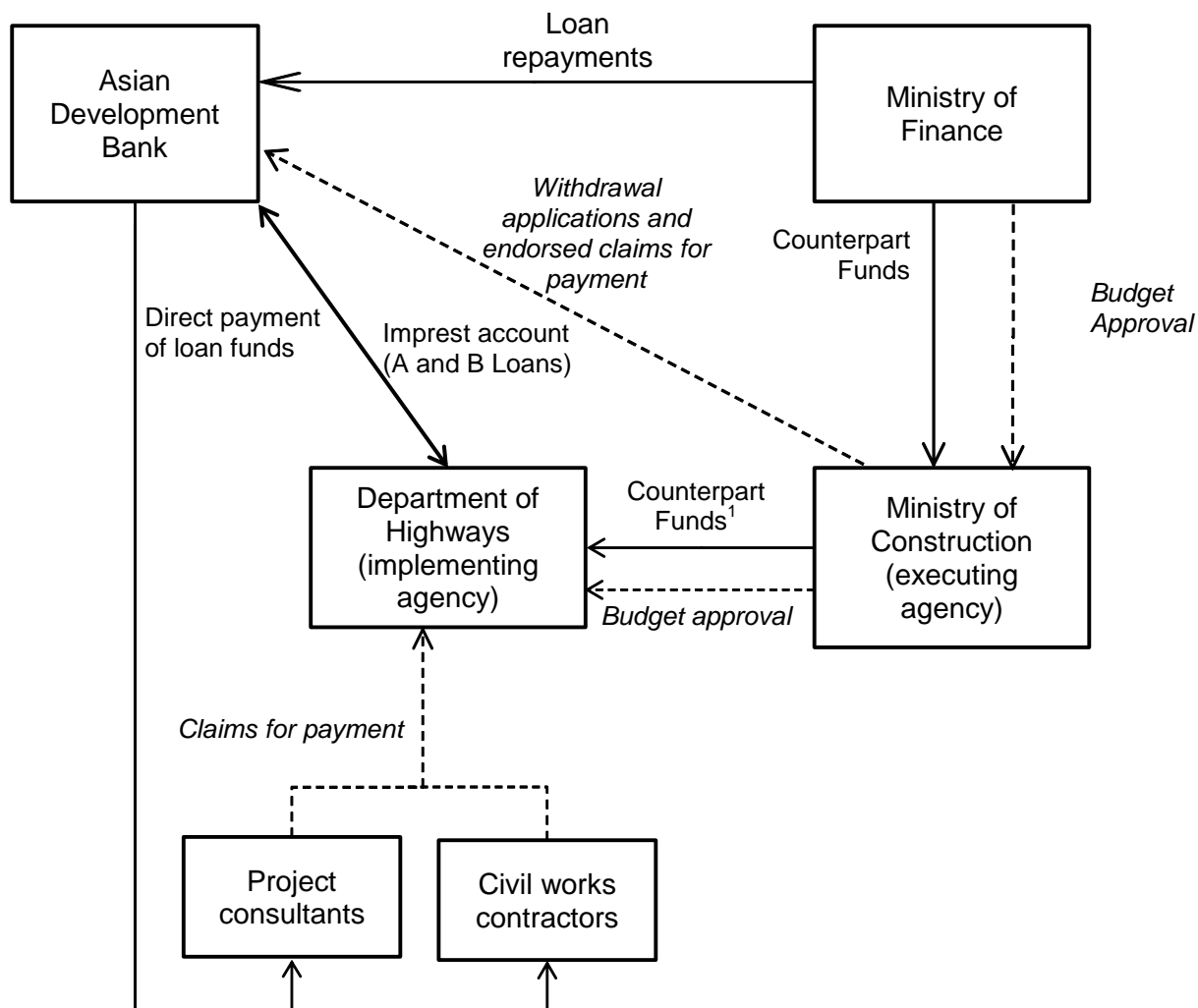
	2015	2016	2017	2018	2019	Total
Contract Award	0.00	104.0	0.0	0.0	0.0	103.00
<i>Cumulative</i>	0.00	104.0	104.00	104.00	104.00	



	2015	2016	2017	2018	2019	Total
Disbursements	0.0	14.8	37.6	41.7	25.9	120.0
<i>Cumulative</i>	0.0	14.8	52.4	94.1	120.0	

G. Fund Flow Diagram

14. The fund flow diagram below shows how the funds will flow from ADB and the Borrower to implement project activities.



Legend:

- Fund flow
- Requests and approvals

Supporting Agreements:

- Loan Agreement between ADB and the Government of Myanmar
- Management Agreement between Ministry of Construction and Public Works

¹ Includes relocation support for affected people (if required), utility relocation, and removal and replanting of roadside trees.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

15. A financial management assessment (FMA) was prepared during the course of project preparatory activities. The FMA follows closely to that undertaken for the Maubin Phyapon Road Rehabilitation Project approved by ADB in 2014. The capacity of MOC and DOH to manage the expenditures that are to occur under the Project was assessed in accordance with ADB's Guidelines for Financial Analysis and Management of Projects and Financial Due Diligence Methodology Note, including use of ADB's standard FMA Questionnaire that has been prepared in conjunction with agency staff. The focus was on the financial management capacity of DOH as MOC primarily acts as the intermediary through which funds and approvals pass between DOH and the Ministry of Finance (MOF). The proposed funds flow and approval flow is in Figure 1. Financial management arrangements and practices in MOC are the same, taking account of its primary role as a financial intermediary rather than an implementing agency.

16. The current financial management practices of DOH and MOC, as in other parts of the Government, are based on old systems. The need to update the systems is recognized by the Government, and a recent diagnostic report has identified the substantial needs that lie ahead.¹ The necessary transformation and capacity building required in MOC and DOH will need to occur as part of the long term and broader program of improvement to financial management in government. The recommended method for implementation of the project is designed to occur within this context by: (i) minimizing the number and complexity of financial transactions (ii) implementing a financial management system (FMS) that is compliant with the Government's current accounting systems, with an associated management information system (MIS), that will meet the needs of the project; and (iii) introducing modern project and financial management practices to MOC and DOH. The results of the financial assessment and recommended arrangements are discussed in following paragraphs.

17. **Implementation Arrangements.** The PMU will be supported by well-qualified international and national consultants who will establish the FMS/MIS, broadly in line with the systems established for the Maubin Phyapon Project, together with appropriate computer hardware, software, and manuals. The FMS/MIS will be capable of meeting Government and ADB financial reporting needs and of providing support for auditing of Project expenditures. The PMU will be responsible for day-to-day implementation and preparation of progress reports, ensuring that financial and reporting requirements are met,

18. **Staff.** The FMA revealed that both MOC and DOH have a current understanding of ADB's financial management policies and implementation procedures as a result of the ongoing work for the ADB supported Maubin Phyapon Road Rehabilitation Project.² Procurement risk assessment is high. Additional training in financial management and disbursement practices for the accounting staff of MOC and DOH is included in the scope of that project. With this additional support, the financial arrangements for the project are adequate for project implementation.

19. **Accounting policies and procedures.** DOH prepares financial statements in accordance with financial regulations that government agencies are obliged to follow. It uses an

¹ Republic of the Union of Myanmar. 2013. Public Financial Management Performance Report (2 volumes). May.

² ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of the Union of Myanmar for the Maubin-Phyapon Road Rehabilitation Project*. Manila.

accrual accounting system that is based on practices and accounting manuals established in the 1960s. It will take some time and a coordinated approach in government to update the government's accounting policies and procedures to fully reflect international best practices. The FMS to be established for the Project will not replace current accounting policies and procedures, but will draw on data in the current accounting system, as well as other sources as input to the system. In so doing, it will assist MOC in their desire to modernize their financial systems.

20. **Accounting/Financial information system.** MOC and DOH have very low levels of computerization, with their accounting systems entirely paper based and a few computers used for spreadsheet analysis and reporting. The Project's FMS/MIS will be used to introduce modern procedures to the agencies, based on the Government's financial management standards, and will be supported by on-the-job and formal training. The systems will be based on those currently under preparation for the ADB financed Maubin Phayapon Road Rehabilitation Project.

21. **Internal control systems.** The structure of the finance divisions and internal control systems in MOC and DOH generally provide job and authorization segregation with regard to financial management, with separate sections authorizing, executing, and recording transactions.

22. **Budgeting and variance management.** MOC and DOH have formal budgeting formulation processes. DOH, as a department of MOC, takes guidance from MOC on the overall budget envelope, and then prepares initial works programs and associated budgets with regard to the assets for which it is responsible. These are reviewed and approved by MOC. MOC then submits a consolidated budget for its broader range of responsibilities to the MOF, which in turn forwards them to parliament through the President's Office for approval. While financial statements are prepared on a monthly basis, they are rudimentary. Monitoring of budgets is limited by the low level of computerization that makes it difficult to produce meaningful financial reports. Together with an absence of modern management practices, budget monitoring is not used as a meaningful management tool. Variance analyses are prepared on a monthly basis, but are also done in a simplistic manner. The FMS/MIS to be implemented in the PMU, in close coordination with the procedures being developed for the Maubin Phayapon project, will be used to introduce modern practices to MOC and DOH, within the overall framework of the Government's financial management requirements.

23. **Safeguards over assets.** MOC and DOH take physical inventories and examine fixed assets and stocks twice each year. MOC has only a limited set of office-related assets, but DOH has substantial assets. Any discrepancy identified between the physical inventory and the records is brought to the attention of DOH management, which takes appropriate action in accordance with government regulations. The agencies do not take out insurance for their assets other than for motor vehicles.

B. Disbursement

24. The proceeds of both the A and B loans will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time),³ and detailed arrangements agreed upon between the Government and ADB.

³ Available at: http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf

25. Payments for works and consulting services will be disbursed by ADB through direct payment procedures as applicable, and are to be certified by the PMU Director based on the payment terms in the contracts. The PMU will be responsible for: (i) preparing disbursement projections; (ii) requesting budgetary allocations for counterpart funds; (iii) collecting supporting documents, and (iv) preparing and sending withdrawal applications to ADB, with a copy to be sent through MOC to MOF. Each withdrawal application is to include the claim or invoice from the contractor or consultant and is to be approved by the Borrower's authorized representative.

26. DOH will establish an imprest account for the incremental administration cost part of the project loans at a commercial bank to be proposed by MOF. The ceiling of the imprest account will be \$80,000. The currency of the imprest account is to be the US dollar. The imprest account is to be used for ADB and AIF share of eligible expenditures. DOH will be accountable and responsible for proper use of advances to the imprest account. The request for the initial advance to the imprest account is to be accompanied by an Estimate of Expenditure Sheet setting out the estimated expenditures to be financed through the account for the forthcoming six months. Supporting documents should be submitted to ADB or retained by DOH in accordance with *ADB's Loan Disbursement Handbook* when liquidating or replenishing the imprest account.

27. The statement of expenditure (SOE) procedure⁴ will be used to reimburse/liquidate eligible expenditures not exceeding \$10,000 equivalent per individual payment. SOE records are to be maintained and made readily available for review by ADB's review missions or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling are to be supported by full documentation when submitting the withdrawal application to ADB.

28. Before the submission of the first withdrawal application, MOF will submit to ADB sufficient evidence of the authority of the person or persons who will sign the withdrawal applications on behalf of the Borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is \$80,000 equivalent. Individual payments below this amount should be paid (i) by the Government and subsequently claimed to ADB through reimbursement, or (ii) through the imprest account procedure, unless otherwise accepted by ADB.

C. Accounting

29. MOC will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the Project. MOC will prepare consolidated project financial statements in accordance with Government's accounting laws and regulations which are consistent with international accounting principles and practices and are acceptable to ADB.

D. Auditing and Public Disclosure

30. MOC will cause the detailed project financial statements to be audited in accordance with International Standards on Auditing by an independent auditor acceptable to ADB. The audit, which will be undertaken by the Auditor Office of Myanmar, will include a separate audit opinion on the use of the imprest fund and on the use of Statement of Expenditure procedures, if applicable. The audited project financial statements, together with the auditors' opinion, will be

⁴ SOE form is available in Appendix 9B of the *Loan Disbursement Handbook*.

submitted in the English language by MOC to ADB within six months of the end of the fiscal year.

31. The annual audit report for the project accounts will include an audit management letter and audit opinions which covers: (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan proceeds were used only for the purposes of the project or not; (iii) the level of compliance for each financial covenant contained in the legal agreements for the project; (iv) compliance with the imprest fund procedure; and (v) compliance under SOE procedure certifying to the eligibility of those expenditures claimed under SOE procedures, and proper use of the SOE procedure and imprest procedures in accordance with *ADB's Loan Disbursement Handbook* and the project documents.

32. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

33. The Government and MOC have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts.⁵ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the Borrower, or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

34. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).⁶ After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter will not be disclosed.

⁵ ADB approach and procedures regarding delayed submission of audited project financial statements:

- When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.
- When audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

⁶ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>.

VI. PROCUREMENT AND CONSULTING SERVICES

35. All procurement of works and services financed by ADB will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).¹

A. Advance Contracting

36. All advance contracting will be undertaken in conformity with ADB's Procurement Guidelines and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).² The borrower and MOC have been advised that approval of advance contracting does not commit ADB to finance the Project.

37. The project involves procurement of 1 international competitive bidding (ICB) package composed of 2 lots for civil works, recruitment of 1 consulting firm for project management and contract supervision using quality and cost-based selection (QCBS) with a standard quality:cost ratio of 90:10, and full technical proposals. Procurement documentation for the civil works contracts has been prepared under an ADB-financed technical assistance project.³ Procurement will commence in May 2015, with the objective that contracts will be finalized and ready to sign when the project loans are effective, scheduled for March-April 2016. Selection of the contract supervision consultant will follow a similar schedule.

B. Procurement of Goods, Works and Consulting Services

38. All procurement of works and goods will be undertaken in accordance with ADB's Procurement Guidelines. ICB procedures will be adopted for civil works contracts estimated to cost \$3.0 million or more. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages is in Section C.

39. Consultants will be recruited according to ADB's Guidelines on the Use of Consultants.⁴ The terms of reference (TOR) for consulting services are presented in Section D. An estimated 896 person-months (105 international, 792 national) of consulting services are required for project management and contract supervision.

¹ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

² Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

³ ADB. 2013. *Technical Assistance to the Republic of the Union of Myanmar for the Greater Mekong Subregion East-West Economic Corridor Eindu to Kawkareik Road Improvement Project*. Manila.

⁴ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

C. Procurement Plan

PROCUREMENT PLAN

Basic Data

Project Name: GMS EWEC Eindu-Kawkareik Road Improvement Project	
Project Number: 46422-003	Approval Number:
Country: Republic of the Union of Myanmar	Executing Agency: Ministry of Construction
Project Procurement Classification: B	Implementing Agency: Department of Highways
Procurement Risk: High	
Project Financing Amount: \$121.8 million	Project Closing Date: 31 March 2020
ADB Financing: \$100.0 million	
Non-ADB Financing: \$21.8 million	
Date of First Procurement Plan: 12 February 2015	Date of this Procurement Plan: 11 September 2015

1. Methods, Thresholds, Review and 18-Month Procurement Plan

a. Procurement and Consulting Methods and Thresholds

40. A Project Procurement Risk Assessment (PPRA) was undertaken for the Project. Activities included reviewing documents, ADB ongoing procurement experience, interviews with counterparts and discussions with key stakeholders. The overall assessment of project procurement risk is high. Ministry of Construction (MOC)/Department of Highways(DOH)/Project Management Unit (PMU) executing agencies/implementing agencies/implementing units weaknesses are primarily due to lack of experience due to unfamiliarity with procurement processes. While the executing agencies/implementing agencies has one (1) on-going ADB funded project, the staff of the executing agencies/implementing agencies/implementing units working on Procurement have yet to achieve reasonable capacity in terms of knowledge of procurement, especially in regard with procurement practices and procedures of international financial institutions, like the Asian Development Bank (ADB). All procurement and consulting will adhere to the OFAC-SDN requirements of ADB.

41. Except as the ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
ICB for Works	Above \$3,000,000	Prior review
ICB for Goods	Above \$500,000	Prior review

ICB = international competitive bidding.

Consulting Services	
Method	Comments
Quality and Cost Based Selection	Prior review

b. Goods and Works Contracts Estimated to Cost \$1 Million or More

42. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value(million)	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
ICB1-ED-KKR	ICB1-ED-KKR-L1 (Lot 1): Civil works for road improvement: Km. 0 to Km. 40.4	\$60.0	ICB	Prior	1 Stage/ 2 Envelopes	Q2/2015	No prequalification; large works documents
	ICB-ED-KKR-L2 (Lot 2): Civil works for road improvement: Km. 42.2 to Km. 66.5	\$38.0	ICB	Prior	1 Stage/ 2 Envelopes	Q2/2015	No prequalification; large works documents

ED = Eindu, KKR = Kawkareik, ICB = international competitive bidding, km = kilometer, Q = quarter

c. Consulting Services Contracts Estimated to Cost \$100,000 or More

43. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value(million)	Recruitment Method	Review (Prior/ Post)	Advertisement Date(quarter/year)	Type of Proposal	Comments
E-K CS1	Project Management and Contract Supervision	\$6.0	QCBS	Prior	Q2/2015	Full	International 90:10

CS = consulting services, E-K = Eindu to Kawkareik, Q = quarter, QCBS = quality- and cost-based selection.

d. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

44. The following table groups smaller-value goods, works, and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

GOODS AND WORKS								
Package Number	General Description	Estimated Value (million)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments

CONSULTING SERVICES								
Package Number	General Description	Estimated Value (million)	Number of Contracts	Procurement Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments

2. Indicative List of Packages Required Under the Project

45. The following table provides an indicative list of goods, works, and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

GOODS AND WORKS							
Package Number	General Description	Estimated Value (cumulative, million)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments

CONSULTING SERVICES							
Package Number	General Description	Estimated Value (cumulative, million)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments

3. List of Awarded and On-going, and Completed Contracts

CONSULTING SERVICES

Package Number	General Description	Estimated Value (million)	Contract Value (million)	Recruitment Method	Advertisement Date (quarter/ year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
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4. Non-ADB Financing

47. The following table lists goods, works, and consulting services contracts over the life of the project, financed by non-ADB sources.

GOODS AND WORKS

General Description	Estimated Value (cumulative, million)	Estimated Number of Contracts	Procurement Method	Comments
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CONSULTING SERVICES

General Description	Estimated Value (cumulative, million)	Estimated Number of Contracts	Recruitment Method	Comments
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D. Consultant's Terms of Reference

48. The project requires one consulting services contract, for construction supervision. The Terms of Reference for these services are provided below.

1. Introduction

49. The Republic of the Union of Myanmar has applied for financing from ADB towards the cost of rehabilitating the Eindu to Kawkareik section of the road (hereinafter referred to as the project road) that forms part of the Greater Mekong Subregion (GMS) East-West Economic Corridor in Myanmar. The project's executing agency will be the Ministry of Construction (MOC) and the implementing agency will be MOC's Department of Highways (DOH). MOC will be the Employer for the civil works contracts. MOC has established a Project Management Unit (PMU) under DOH for day-to-day administration of the project.

50. It is intended that the civil works contracts, and the construction supervision consulting services (CSC) contract to which these TOR refer, will be signed when the A loan and B Loan for the project has become effective, presently scheduled for April-May 2016. The project road, about 64 km long, will be rehabilitated under two civil works contracts, being procured using the International Competitive Bidding (ICB) procedures set out in ADB's Procurement Guidelines. These TOR apply to the construction supervision of both of these civil works contracts, which will be carried out in parallel.

51. The project scope provides also for reconstructing an access road, about 0.6km long, to the Kyon Doe river port. The project road length includes, for approximately 1.2 km, the Gyaing (Kawkareik) bridge and approach roads. This is to be reconstructed under other financing arrangements and is not within the scope of the ADB-financed project, other than for safeguards compliance (see para below).

52. The rehabilitation works will consist broadly of:

- (i) reconstructing the existing road to a 2 lane and sealed shoulders standard, with asphaltic concrete surfacing, except for the Kyon Doe access road, which will have a rigid cement concrete pavement;
- (ii) replacing all of the approximately 90 existing cross-drainage structures with new bridges, box culverts and pipe culverts; and
- (iii) providing road safety measures including intersection improvements, guardrail, roadside furniture, and traffic signs.

53. The drawings, specifications, and other documentation related to the civil works contracts will be available for review at the Yangon office of the PMU.

2. Consultants

54. The CSC services will be provided through an association of international and national consultants. The consultants will be selected in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), using the QCBS method, ratio 90:10.

55. It is expected that about 105 person-months of international consultants and around 792 person-months of national consultants, excluding administrative support staff, will be required during the project period of about 48 months, which includes the contract periods, each 42

months and intermittent inputs during the defects notification periods. Detailed staffing requirements are set out in para 15. Tables 1 and 2 below.

3. Scope of Services, Tasks (Components) and Expected Deliverables

56. The CSC will be the Engineer for the contracts, as described in the General and Particular Conditions of Contract. Services to be provided by the CSC are set out in below. Specific tasks related to environmental impact monitoring and mitigation are set out in paras. 9–10. Specific tasks related to resettlement and social development are set out in paras. 11–14.

- (i) reviewing the project's detailed designs to identify any significant aspects that require amendment before construction commences, and inform the PMU of these for its decision as to whether changes to the designs are to be made;
- (ii) on the basis of this review, and the PMU's decisions, accepting the designs as suitable for construction;
- (iii) ensuring that the contractors' topographical survey and cross sections to be used for working drawings, as-built drawings and measurement purposes comply with the requirements of the specifications;
- (iv) checking and approving the contractors' bridge construction methods and program for both temporary and permanent structures;
- (v) administering the civil works contracts as the Engineer, and undertaking the duties of the Engineer and the Engineers' Assistants, as defined in the contract documents, and as delegated by the Engineer;
- (vi) developing a comprehensive system of inspection checking and recording to ensure compliance of all works with the specifications;
- (vii) developing interim and final measurement and payment systems; establishing a monitoring system for costs to date, and costs to completion; providing a system for the preparation of interim and final payment certificates; providing advice on the evaluation of claims and extensions of time; providing advice on the preparation of variation orders, and for monitoring variation orders; establishing a claims monitoring, evaluation and reporting system; and assisting and advising the Employer on all matters pertaining to the contracts and to disputes;
- (viii) providing day-to-day supervision and inspection of works on site; maintaining by the supervision staff of a site diary covering all contractors' activities, and recording site conditions;
- (ix) prior to commencement of works, approving of the contractors' construction plans including traffic management and traffic control arrangements, proposed public and private haul and access routes, together with the contractors' arrangements for maintenance and reinstatement of the same, borrow locations, working areas, materials stockpile areas, materials mixing, and processing areas, etc.;
- (x) reviewing, commenting upon, and accepting the contractors' quality assurance plans and procedures; assisting the contractors with establishing on-site and laboratory based quality control, testing, and reporting procedures for all construction, workmanship, and materials; supervising the contractors in implementation of the quality assurance plans;
- (xi) together with the PMU, the contractors, and public utility agencies, identify all utility services (electricity, telecommunication, and water), if any, within the right-of-way that are to be protected and marked to avoid damage, or relocated, as required by the works; in this regard, special attention is drawn to identifying and marking the exact location of buried fiber optic cables within the right-of-way, and

- ensuring proper arrangements are made to ensure their protection and uninterrupted service during construction of the works, and during any required relocation or adjustment of the cables;
- (xii) assisting the PMU in implementing and monitoring the project's resettlement plan;
 - (xiii) receiving, commenting on and ultimately approving the contractors' Environmental Management Plans (CEMP) (see Tables 1 and 2) and Summary Social Action Plan, Communication Strategy and, thereafter, monitoring and reporting compliance with these plans and strategies;
 - (xiv) monitoring the contractors' programs and costs to completion and providing advice to the Employer on procedures necessary to complete the works within the time and cost stated in the works contracts;
 - (xv) preparing reports and providing assistance, as necessary and as required, to the Disputes Board and during any subsequent arbitration procedures;
 - (xvi) conducting on-site workshops and providing comprehensive technical guidelines to staff of the PMU, and to the CSC's national consultants, in contract administration, measurement and certification, construction supervision, quality control, in-situ and laboratory testing and reporting, monitoring and appliance of environmental and social safeguards; monitoring and implementation of the resettlement plan, and other activities as required;
 - (xvii) not later than 6 months before the project works are complete, and again before the project road is accepted as being substantially complete, undertaking road safety audits, and, on the basis of those audits, directing the contractors to implement such additional works as may be necessary to ensure the completed road meets appropriate internationally-accepted road safety standards;
 - (xviii) preparing an Inception Report, to be submitted within four weeks of commencement of the services, and, thereafter, monthly progress reports to be submitted within 15 days of the end of the preceding month. These reports are to be submitted as follows: 8 copies to the Employer and 2 copies to ADB. All reports are also to be submitted electronically, as email attachments in pdf format;
 - (xix) conducting monthly Contract Site Meetings, to be attended by representatives of the Employer and the contractors; attending and making presentations at progress coordination meetings and similar progress reviews;
 - (xx) providing the Employer with complete records and assisting the contractors with providing "As Built" drawings for the contracts; certifying completion and taking over of part or all of the works;
 - (xxi) preparing Final Payment Certificates, Taking Over Certificates, and Performance Certificates, to the timing of, and as required by, the General Conditions of Contract, and advising the Employer on the release of all contractors' securities and retentions;
 - (xxii) support financial management activities as set out in the PAM;
 - (xxiii) conducting a baseline survey of the project road prior to construction commencing, to include an assessment of classified traffic volumes, average speeds, number and severity of accidents, International Roughness Index, and pavement condition, to act as a basis for benefit monitoring and evaluation;
 - (xxiv) preparing a Benefit Monitoring and Evaluation Report in conformity with ADB's guidelines for such reports and submit this to the Employer and to ADB, in the numbers given above; and

- (xxv) preparing a Project Completion Report to be in conformity with ADB guidelines for such reports and submitting this to the Employer and to ADB, also in the numbers given above.

4. Environmental Monitoring and Mitigation

57. The International Environment Specialist (IES) will undertake the initial monthly monitoring, working with the National Environmental Specialist (NES). Subsequent monthly monitoring will be carried out by the NES. The IES will undertake semi-annual monitoring and report preparation working with the NES. The required semi-annual report environmental report will be based on the results of monthly monitoring. The IES, with assistance from the NES, will design and conduct an environmental management capacity building and training program for MOC and DOH staff.

58. The specific tasks to be undertaken by the IES/NES team will include the following:
- (i) prior to review by ADB, review the CEMPs and recommend to the CSC modifications to the CEMPs in order to be compliant with the: (a) environmental requirements of the construction contracts as reflected in the environmental management plan (EMP), (b) environmental laws of the Government, and (c) ADB's Safeguards Policy Statement (SPS, 2009);
 - (ii) supervise ambient environmental baseline monitoring (water quality, air quality, and noise levels) to be conducted by the contractors through an appropriate laboratory;
 - (iii) develop the environmental monitoring system to be used during the construction period for monitoring the contractors' performance relative to the environmental requirements, including the preparation of: (a) monitoring and corrective action forms/checklist, (b) inspection procedures, and (c) documentation procedures;
 - (iv) conduct orientation sessions with the contractors on the environmental monitoring system to be used, notification of non-compliance, and the process of requiring contractors to implement corrective measures when necessary;
 - (v) within six months from commencement of construction, design and conduct a training program for MOC/DOH staff on how the environmental aspects of the project will be monitored, giving emphasis on CEMP evaluation; environmental monitoring of construction activities and preparation of corresponding reports; supervision responsibilities and interaction with contractors; and documentation, resolution and reporting of non-compliance issues and complaints;
 - (vi) supervise the implementation of environmental mitigating measures required for the construction activities;
 - (vii) discuss with the contractors how their respective CEMPs will be implemented including the: (a) requirements for each mitigation measure, and (b) implementation schedule of each mitigation measure taking into consideration the general requirement that no specific construction activity will be approved to be commenced by the CSC if the associated mitigation measures for such activity are not ready before work commences;
 - (viii) evaluate the environmental aspects of the contractors' construction methodology and recommend to the CSC corrective actions needed, if any, to make the methodology environmentally acceptable;
 - (ix) evaluate the contractors' submitted works activities and schedules relative to the requirements of the approved CEMPs;
 - (x) undertake monthly monitoring and inspection of construction sites and all construction-related facilities (workers' camps, asphalt batching plants, concrete

batching plants, borrow pits, disposal sites for spoil and unsuitable materials, equipment maintenance areas, fuel and materials storage sites, project-specific quarries and crushers, etc.) to assess the contractors' compliance with the CEMP and Project EMP.

- (xi) require the contractors to update their respective CEMPs when necessary;
- (xii) supervise any subsequent monitoring as necessary to be done by the contractors on ambient surface water quality, air quality, and noise during the construction period;
- (xiii) monitor the contractors' compliance with health and safety requirements of the project as stipulated in the contract documents;
- (xiv) prepare monthly environmental monitoring reports for submission to the PMU and semi-annual environmental monitoring reports for submission to ADB;
- (xv) upon completion of construction, prepare a report on the project's environmental compliance performance, including lessons learned that may help MOC/DOH in its environmental monitoring of future projects. The report will be an input to the overall project completion report; and
- (xvi) provide guidance to the PMU's environment specialist on the environmental aspects of the project with emphasis on environmental monitoring and reporting.

5. Resettlement and Social Development

59. The Resettlement Specialist will support the updating of the Resettlement and Ethnic Group Development Plan in accordance with Government and ADB SPS requirements, and provide guidance and support for its effective implementation.

60. Specific tasks will include:

- (i) in collaboration with the CSC team, ensure that involuntary resettlement impacts are minimized as much as feasible;
- (ii) guide and support the planning and implementation of the detailed measurement survey;
- (iii) update the socio-economic survey, if required;
- (iv) guide and support the updated replacement cost survey to ensure that compensation rates are based on replacement cost at time of compensation;
- (v) support the preparation of detailed relocation and income restoration strategies, in consultation with affected households, civil society and relevant Government agencies;
- (vi) ensure meaningful consultation and participation of affected households, civil society stakeholders, community-based organizations, relevant ethnic group representatives and relevant government agencies in the planning and implementation of the resettlement and ethnic group development plan;
- (vii) support the PMU and relevant Government agencies to ensure appropriate disclosure of the resettlement and ethnic group development plan;
- (viii) support the PMU and relevant Government agencies to establish an effective grievance redress mechanism;
- (ix) provide capacity building training on Project social safeguards requirements, implementation arrangements and monitoring requirements; and
- (x) support the finalization of the updated resettlement and ethnic group development plan to the stage where it is endorsed by the Government and receives ADB concurrence.

61. The social development specialist will support the finalization of the Social Action Plan; Communication Strategy; and HIV and human trafficking awareness and prevention strategy. In addition the specialist will ensure incorporation of agreed social action and mitigation measures in Project documentation and implementation plans as well as oversee the implementation of the Communication Strategy.

62. Specific tasks will include:

- (i) in collaboration with the CSC team, such as FIDIC based bidding documents, civil works contracts, road safety mitigation measures, and the resettlement and ethnic group development plan;
- (ii) finalize the Social Action Plan; Communication Strategy and Participation Plan; and HIV and human trafficking awareness and prevention strategy, in collaboration with the Project team and relevant stakeholders and ensure that required actions are implementable in the local context, adequately resourced, and that those responsible for implementation are provided adequate training to enable effective implementation;
- (iii) provide input into the benefit monitoring and evaluation framework, especially the preparation of indicators, which are to be disaggregated by gender and ethnic group if relevant and appropriate; and
- (iv) provide support and participate in consultation and participation activities during Project implementation.

6. Team Composition & Qualification Requirements for the Key Experts

63. The staffing requirements for the CSC services are presented below, in Table 1 for international experts and Table 2 for national experts. All team members are to carry out their duties through close liaison and efficient communication with each other and with the staff of the PMU. All staff, international and national, must be reasonably proficient in English language.

Table 1: International experts

Ref	Title	Qualifications and Tasks	Estimated Inputs (person months) ¹³
A	Project Manager/ Contract Management Specialist	Professionally qualified civil engineer, or equivalent, preferably 20 years' experience in construction supervision of highway or similar projects, carried out under the FIDIC conditions of contract, including preferably 5 years as a team leader.	39 (Full time)
B	Senior Resident Engineer	Professionally qualified civil engineer, or equivalent, preferably 15 years' experience in highway construction, of which preferably 10 years is to be in the design, design checking, and construction supervision of road and structural works carried out under the FIDIC conditions of contract in environments similar to Myanmar.	33 (Full time)
C	Senior Bridge Design	Professionally qualified civil engineer, or equivalent, preferably 10 years experiences in	6 (Intermittent)

¹³ For international and national full time positions, inputs are assumed to be 11 person-months per year.

Ref	Title	Qualifications and Tasks	Estimated Inputs (person months) ¹³
	Engineer	the design and construction of bridges and culverts similar to the structures required for this project.	
D	Senior Materials Engineer	Professionally qualified civil engineer, or equivalent, preferably 15 years' experience as a materials engineer in climatic and geotechnical conditions similar to Myanmar.	6 (Intermittent)
E	Senior Pavement Design Engineer	Professionally qualified civil engineer, or equivalent, preferably 15 years' experience in relevant pavement design methods in climatic and geotechnical conditions similar to Myanmar.	3 (Intermittent)
F	Senior Resettlement Specialist	Qualified BSc. or equivalent in social development or related field, with preferably 10 years' experience in resettlement management, implementation of social safeguards, gender and complaints resolution. The specialist should have prepared or assisted in the preparation of at least 5 resettlement plans for infrastructure projects, and have been engaged in preferably 3 similar projects in resettlement monitoring and implementation of social safeguards. The specialist will also monitor and report on compliance with the resettlement plan and social safeguards, including HIV/AIDS awareness and human trafficking.	3 (Intermittent)
G	Senior Environmental Specialist	Professionally qualified BSc. or equivalent in environment or related field preferably 10 years' experience in environmental management and monitoring. The specialist will have prepared or assisted in the preparation of preferably 6 EIAs for infrastructure projects financed by ADB or similar agencies.	9 (Intermittent)
H	Senior Monitoring and Evaluation Specialist	Qualified BSc. or equivalent in project management or related field preferably 10 years' experience in monitoring and evaluation. The specialist will have worked on similar projects financed by ADB or similar agencies.	3 (Intermittent)
I	Senior Social Development Specialist	Qualified BSc. or equivalent in social development or related field preferably 10 years' experience in social development planning, implementation, gender and monitoring of social development programs. The consultant should have preferably prepared 5 social development plans in infrastructure projects, and have been engaged in preferably 3 similar projects in social	3 (Intermittent)

Ref	Title	Qualifications and Tasks	Estimated Inputs (person months) ¹³
		development implementation, including those including indigenous peoples/ethnic minorities. The consultant should also have experience in carrying out social impact assessments and have prepared social strategies/action plans.	

ADB = Asian Development Bank, BSc = Bachelor of Science, CEMP = contractors' environmental management plan, EIA = environmental impact assessment, FIDIC = International Federation of Consulting Engineers (Fédération Internationale Des Ingénieurs-Conseils).

Table 2: National experts

Ref	Title	Qualifications and Tasks	Estimated Inputs (person months)
J	Deputy Project Manager	Professionally qualified civil engineers, or equivalent, preferably 15 years' experience in road construction, of which preferably 10 years should be spent on site in the contract administration and supervision of road and bridge works.	39 (Full time)
K	Resident Engineers (2 Positions)	Professionally qualified civil engineer, or equivalent, preferably 10 years' experience in highway and bridge construction.	66 (Full time)
L	Bridge Engineer	Professionally qualified civil engineer, or equivalent, preferably 10 years' experience, including preferably 5 years for construction supervision of pre stressed and reinforced concrete bridges.	33 (Full time)
M	Materials Engineer (2 positions)	Professionally qualified civil engineer, or equivalent, preferably 10 years' experience, including preferably 5 years for the design, specification and testing of road pavements, sub-grade and road construction materials	66 (Full time)
N	Surveyor	Professionally qualified civil engineer, land surveyor, or equivalent, preferably 10 years' experience in highway-related survey work.	33 (Full time)
O	QS Engineer	Professionally qualified civil engineer, or equivalent, preferably 10 years' experience, having extensive computer skills, to be responsible to the Project Manager for managing the project's record keeping, contract payment systems, contract cost projections, and all similar tasks.	37 (Full time)
P	Resettlement/Social Development Specialist	Qualified BSc or equivalent in social development or related field, preferably 10 years' relevant experience, to work with and be trained by the international resettlement/social development specialist in resettlement management, implementation of social	17 (Intermittent)

Ref	Title	Qualifications and Tasks	Estimated Inputs (person months)
		safeguards, complaints resolution, gender and all other aspects of the international specialist's scope of work. Oversee the Implementation of the Communication Strategy.	
Q	Environmental Specialist	Professionally qualified BSc in environment or related field or equivalent qualification with relevant experience, to work with and be trained by the international environmental specialist in environmental management and monitoring to the requirements of ADB and similar financing agencies.	33 (Full time)
R	Benefit Monitoring Specialist	Professionally qualified BSc or equivalent qualification in social development or related field with relevant experience, to work with and be trained by the international benefit monitoring specialist in the requirements of ADB and similar financing agencies.	2 (intermittent)
S	Finance Specialist	Professionally qualification in finance accounting and holding a recognized professional accountancy qualification, preferably with experience of financial management systems for civil works projects financed by multilateral donors.	4
T	Site Engineers/ Inspectors (10 positions)	Preferably BSc. or equivalent qualification in engineering or related field, and preferably with a basic range of experience to cover surveying, earthworks, site testing, concrete structures and bitumen based surfacing. Actual inputs to be aligned with contractors' work schedules.	328 (Full time)
U	Laboratory Technicians (4 positions)	Preferably BSc. or equivalent qualification in technical discipline or related field, and preferably with a basic range of experience to cover materials testing for road and structural works. Actual inputs to be aligned with contractors' work schedules.	132 (Full time)

ADB = Asian Development Bank, BSc = Bachelor of Science.

64. Curricula vitae must be provided with consultants' proposals for all positions. Proposal evaluation will be based on all international experts and on positions J to S for national experts. The remaining national staff will be discussed and agreed with the selected consultant during contract negotiations, and replacements may be requested at that time. Administrative and clerical support personnel are to be provided as required, and the cost of these is to be clearly included in the consultants' cost proposals.

7. Reporting Requirements and Time Schedule for Deliverables

65. The consultant is required to prepare and submit the following project reports in the

English language to, 2 copies to ADB and 8 copies to the Employer. All reports are also to be submitted electronically, as email attachments in pdf format.

- (i) **Inception Report**
The inception report will be submitted within four weeks after the start of the assignment, and shall contain a detailed work program, a brief description of the updated working methods proposed for carrying out the services in accordance with the Terms of Reference and identify any major issues and problems likely to be encountered. The report should also review the needs of recruiting other services as required
- (ii) **Monthly Report**
A Monthly Report will be submitted within 10 days after the end of each month, summarizing the progress of the project, the work accomplished, any problems encountered during the month, and a work plan for the next month, with recommendations to achieve the objectives.
- (iii) **Annual Report**
This Report should be submitted within 21 days after the end of each fiscal year, (i.e 31 Mar.) commencing from the date of mobilization and include (i) progress achieved by output as measured through the indicator's performance targets, (ii) key implementation issues and solutions, (iii) safeguards and social monitoring report (iv) updated procurement plan, and (v) updated implementation plan for next 12 months.
- (iv) **Mid-term Review Report**
The consultant will report on full review of project progress, achievements and problems at the time of the mid-term review as well as any revisions made or estimated to be made to the project design.
- (v) **Draft Project Completion Report**
This Report should be submitted within the last five (05) months prior to project completion. This report shall summarize information on Project completion including works accomplished, all contract events and other pertinent information for the duration of the consultancy contract. The Report also details (i) use of A Loan and B Loan proceeds on Project components, and (ii) the extent to which the Project outcome has been accomplished.
- (vi) **Final Project Completion Report**
This Report should be submitted within three (03) months of final completion of the Contract. The Final Project Completion Report will be finalized by incorporating comments received on the Draft Project Completion Report.
- (vii) **Specialized Project Reports**
In addition to the above regular reporting requirements, it is expected that specialized reports will need to be prepared in support of project implementation

66. When both draft final and final submissions are required, both the DOH and the ADB will provide final comments within 30 days of receipt of the draft final submission; and the CSC shall incorporate comments into the final submission within 15 days receipt of all comments. Should

there be any clarification required concerning any comments the DOH shall promptly clarify the issue and inform the CSC.

8. Client's Input and Counterpart Personnel

(a) Services, facilities and property to be made available to the Consultant by the Client:

67. Throughout the project period, the CSC Project Manager's and Contract 2 office will be located within the limits of Contract 2, in the vicinity of Kawkareik. The Contract 1 office will be located within the length of Contract 1, in the vicinity of Eindou.

68. The following facilities will be provided through the civil works contracts at no cost to the CSC:

- (i) offices for the Project Manager and staff, and for the Resident Engineers and their supervision and administrative staff. The offices will be fully furnished, maintained and serviced, including all office equipment, computers, software and printers, and all consumables;
- (ii) telecommunications systems by landline at each office, if available in the area, and by mobile phones, excluding the cost of international telephone and fax charges for both landline and mobile calls; internet connection at each office including all recurrent charges and charges made by the internet service provider;
- (iii) materials testing laboratories. fully equipped, serviced and maintained, including computers, software and printers and all consumables;
- (iv) all survey, measurement, and setting out equipment necessary for checking the setting out and control of the works;
- (v) site safety equipment including visibility jackets and hard hats;
- (vi) all in-situ testing and sampling equipment;
- (vii) fully licensed and insured vehicles with drivers for the use of the Project Manager, Resident Engineers and their staff for project activities, including servicing, maintenance, fuel, and oil;
- (viii) fully licensed and insured motorcycles for the use of site supervision staff for project activities, including helmets, protective clothing, servicing, maintenance, fuel, and oil; and
- (ix) security and maintenance services for the offices, laboratories, and their compounds.

(b) Professional and support counterpart personnel to be assigned by the Client to the Consultant's team:

- (i) The DOH, PMU will provide counterpart staff available to work with the Consultant. The counterpart staff is to be trained by the Consultant to gain hands-on experience in all aspects of project management. The counterpart staff will not work as members of the Consultant team for delivering the services and they will be paid salaries by the Government. Therefore the cost of counterpart staff will not be included in the Consultant's proposal and subsequent contract agreement.

9. Client will provide the following inputs, project data and reports to facilitate preparation of the Proposals:

- (i) DOH, PMU will provide all relevant existing reports and available documents to the Consultant during the implementation of the consultancy. DOH/PMU will facilitate access of the Consultant to other government agencies for communications, collecting of relevant information, data, documents, etc. and other activities related to the consultant's assignment.

VII. SAFEGUARDS

A. Environment

69. The project has been classified as environment category B in accordance with ADB's SPS. A PMU staff member will be designated as the Environment Officer to oversee the implementation and monitoring of the project's environmental safeguards requirements. The contractors will be supervised, for compliance with the civil works contract legal and other provisions, by an international consulting firm (contract supervision consultant or CSC) selected by MOC.

70. The CSC will be responsible for the following activities related to environmental safeguards: (i) confirming that the EMP is included in the bidding documents and civil works contracts; (ii) ensuring the CEMPs are prepared by contractors, reviewed by ADB and CSC, and approved by CSC prior to construction commencing; (iii) establishing a system to monitor the environmental aspects of the project including the indicators set out in the monitoring plan of the EMP; (iv) supervising the implementation of environmental mitigating measures required for the construction activities; (v) reviewing, monitoring, and evaluating the effectiveness of the implemented CEMPs, and recommending corrective actions, if required; (vi) preparing monthly environmental monitoring reports for PMU, (vii) preparing semi-annual environmental monitoring reports for ADB's review and public disclosure; (viii) addressing, recording, and reporting on any grievances arising from the project's Grievance Redress Mechanism in a timely manner; and (ix) training MOC/Department of Roads staff in environmental safeguards and monitoring.

B. Involuntary Resettlement

71. The Project has been classified as involuntary resettlement category B in accordance with ADB's SPS. The Government will ensure that:

- (i) the Resettlement and Ethnic Groups Development Plan (REGDP), agreed between the Government and ADB, is implemented in accordance with their terms and all applicable laws and regulations of Myanmar and ADB's SPS;
- (ii) in case of any inconsistency between government laws and ADB's policy, the latter will prevail;
- (iii) all affected persons are given adequate opportunity to participate in resettlement planning and implementation;
- (iv) counterpart funds for resettlement activities are provided according to the budget and project schedule;
- (v) any additional costs in excess of the resettlement plan budget estimates are met within the project schedule; and
- (vi) adequate staff and resources are committed to supervising and monitoring implementation of the resettlement plan.

72. No relocation activities will take place until: (i) the resettlement coordinating committee has been set-up; (ii) an Implementation Plan, following review, that covers consultations carried out with affected households and other stakeholders, type of assistance to be provided to each affected household, relocation plan, implementation schedule, and budget as per agreed resettlement and ethnic groups development plan, has been reviewed and accepted by ADB; (iii) assistance detailed in the Implementation Plan has been provided to the affected households.

C. Ethnic Groups

73. The communities in the project areas comprise various ethnic groups. Impacts on these groups include involuntary resettlement impacts, risks of HIV and human trafficking along with the need to ensure meaningful consultation throughout project preparation and implementation. The Project has been classified as B for Indigenous Peoples Safeguards in accordance with ADB's SPS. The Government will ensure that:

- (i) the REGDP, agreed between the Government and ADB, is implemented in accordance with their terms and all applicable laws and regulations of Myanmar and ADB's SPS;
- (ii) in case of any inconsistency between government laws and ADB's policy, the latter will prevail; and
- (iii) measures to ensure meaningful consultation and participation of affected communities are undertaken during project implementation.

VIII. GENDER AND SOCIAL DIMENSIONS

74. Improved connectivity can bring substantial benefits for women. Access to rural, health, education, and other services improve for women and the poor. Women and girls are able to travel safely further from home. Markets are easier to reach and trading opportunities for women increase. The Government will ensure that the Project is implemented in accordance with ADB's Policy on Gender and Development (1998) to ensure that social benefits are maximized and adverse impacts are mitigated. The gender categorization of the project is "No Gender Elements".

A. Implementation Arrangements

75. The PMU will be responsible for ensure the above actions to support women's access to project benefits will be implemented. The PMU will be supported by the CSC for these activities. The CSC resettlement and social development consultant will be responsible for guiding and monitoring these activities.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Impacts of the project are aligned with:
Improved trade between Myanmar and Thailand (Greater Mekong Subregion Regional Investment Framework Implementation Plan 2014–2018).^a

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Improved connectivity within Kayin State and with Thailand.	By 2020 a. Traffic volume on project road increased fivefold (from under 1,000 vehicles per day in 2012 to over 5,000 vehicles per day in 2020) b. By project completion (2020), travel time between Eindu and Kawkareik reduced by 20% from 2012 levels (3.5 hours in 2012)	a–b. National statistics a–b. Project benefit and monitoring and post-evaluation reports	Trade with Thailand fails to grow at expected rate Peace process slows, affecting travel and economic activity in Kayin State
Outputs Improvement of 66.4 km of road between Eindu and Kawkareik	By 2019 a. 66.4 km of roads improved	a. MOC progress report ADB review missions ADB project completion report	Adverse weather conditions in project area delay construction

Key Activities with Milestones

Output 1. 66.4 km of road improvement

- 1.1 MOC completes resettlement activities from 1 May 2015 to 30 September 2016.
- 1.2 MOC completes relocation of all utilities affected by the project by 30 September 2016.
- 1.3 MOC selects construction supervision consultants from 1 April 2015 to 31 August 2016.
- 1.4 MOC undertakes procurement of civil works contractors from 1 April 2015 to 30 September 2016.
- 1.5 MOC completes 66.4 km of road improvement by 30 September 2019.

Inputs

Asian Development Bank: \$100,000,000
 ASEAN Infrastructure Fund: \$20,000,000
 Government: \$1,800,000

Assumptions for Partner Financing

Not applicable.

ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, MOC = Ministry of Construction, km = kilometer.
^a ADB. 2014. *Greater Mekong Subregional Regional Investment Framework Implementation Plan, 2014–2018*. Manila.

Source: ADB estimates.

B. Monitoring

76. **Project performance monitoring.** The PMU will establish a project performance monitoring system. ADB through the project performance reporting system will monitor the overall performance of the project. The PMU will refine the monitoring system within 6 months from project commencement and collect and update baseline data for performance monitoring. The key indicators and targets, assumptions, and risks outlined at the impact, outcome, and output levels in the project's design and monitoring framework will be the primary data required for analysis. For this purpose, the ADB inception mission will provide to the PMU a checklist of the required data which will be updated and reported quarterly through the PMU's quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.¹⁴

77. **Compliance monitoring:** Compliance for all loan covenants (environmental safeguards, financial, economic, and others) will be jointly monitored by MOC and ADB through quarterly updates provided by the PMU. In this respect, the PMU will submit to ADB a status report on the covenants summary with an explanation and time-bound actions on partly or non-complied covenants. ADB's Myanmar Resident Mission will hold quarterly review meetings with MOC to ensure the full compliance with all the loan covenants. In addition, MOC and ADB will undertake a comprehensive midterm review after 2 years of project implementation. At the conclusion of the mid-term review, ADB and MOC may agree on changes in both project scope and implementation arrangements, as deemed necessary. ADB will carry out regular loan review missions (semi-annually) to undertake monitoring.

78. **Safeguards monitoring:** Compliance with environmental, involuntary resettlement, and indigenous peoples safeguards, if any, will be included in the PMU's quarterly progress reports. ADB will carry out regular loan review missions (semi-annually) to undertake monitoring.

C. Evaluation

79. Following loan signing, a project inception mission will be fielded to confirm the working relationship between ADB and MOC/Department of Roads and PMU staff involved in the implementation of the project. Progress under the project will be reviewed every 6 months by ADB, following loan effectiveness. The reviews will address policy, institutional, administrative, organizational, technical, environmental, social, economic, financial, and other relevant factors that may have an impact on project performance and the project's continuing viability. A comprehensive mid-term review is tentatively scheduled in March 2018. Within 6 months of physical completion of the project MOC will submit a project completion report to ADB.¹⁵ In this report, MOC will evaluate the project performance based on indicators and targets stipulated in the design and monitoring framework and baseline profiling data collected during project preparation. Subsequently, ADB will field a mission to finalize its project completion report. Evaluation activities are summarized below.

Evaluation Activity	Purpose	Methodology	Who are responsible and involved
Review Mission	Review the progress of the project and provide	Site visit and meetings with MOC/DOH and	ADB MOC/DOH

¹⁴ ADB's project performance reporting system is available at:

<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

¹⁵ Project completion report format is available at:

<http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

Evaluation Activity	Purpose	Methodology	Who are responsible and involved
	guidance to facilitate implementation	PMU officials, contractors and consultants twice a year	PMU
Mid Term Review Mission (March 2018)	Review the progress of the project and make adjustments to facilitate implementation and successful project completion	Site visit and meetings with MOC/DOH and PMU officials, contractors and consultants	ADB MOC/DOH PMU/MOF
Project Completion Review	Evaluate the overall output of the project and its relevance and suitability	Site visit and meetings with MOC/DOH and PMU officials	ADB MOC/DOH PMU/MOF

ADB = Asian Development Bank, MOC = Ministry of Construction, DOH = Department of Roads, PMU = project management unit.

D. Reporting

80. MOC will provide ADB with: (i) monthly brief contract progress reports; (ii) quarterly progress reports in a format consistent with ADB's project performance reporting system; (iii) consolidated annual reports including: (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) an updated procurement plan if required, and (d) an updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the project.

E. Stakeholder Communication Strategy

81. The Stakeholder Communication Strategy¹⁶ includes the ADB requirements for disclosure of project information in accordance with ADB's SPS. In addition, broader stakeholder communication will be carried out regarding the project with key stakeholders of the project including: project affected persons; project beneficiaries and general public; transport users and organizations; State government / townships / wards; village and community leaders; ethnic armed organizations; NGOs, CSOs; and PMU / MOC.

82. This PAM provides details of the project disclosure, monitoring, and reporting requirements for safeguard policies on environment and resettlement. The PMU will post all relevant information on the project website. The website will include disclosure information requirements, as well as information regarding the bidding process, bidders, contract awards, use of funds disbursed under the project, and physical progress. The project will follow ADB's Public Communication Policy and its guidelines on the disclosure and exchange of information.

83. Information of the project will also be communicated with the government through the PMU, Department of Roads, and MOC. Relevant government officials in townships and villages will be briefed on the project, and provided with written information (in Myanmar language) on key project components and relevant requirements pertaining to ADB safeguards, stakeholder communication, and grievance redress procedures.

¹⁶ Communication Strategy (accessible from the list of linked documents in Appendix 2).

84. Stakeholder outreach meetings will be held in the project area to update local communities with project progress and information dissemination in line with the Communication Strategy. Printed communication materials in Myanmar language will be provided describing the scope of the project, governing ADB policies and procedures, benefit entitlements, and/or other relevant matters. Information on project process, HIV/AIDS, safe working conditions and others as relevant will be provided as documented in the civil works contracts. The PMU will maintain a tracking system to record consultation activities, the provision of project information, to register concerns and/or complaints received, and to track follow-up action.

85. Where appropriate, project progress will be shared with local and national media.

86. A project focal point, with full name and contact information, will be designated for regular contact with project-affected people and other interested stakeholders.

X. ANTICORRUPTION POLICY

87. ADB reserves the right to investigate, directly or through its agents, any violations of ADB's Anticorruption Policy (1998) relating to the Project.¹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in any ADB-financed activity and may not be awarded any contracts under the Project.²

88. To support these efforts, relevant provisions have been included in the loan agreement and/or regulations and the bidding documents for the Project.

¹ Available at: <http://www.adb.org/documents/anticorruption-policy>.

² ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>.

XI. ACCOUNTABILITY MECHANISM

89. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism.¹ The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of, their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.

¹ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

XII. RECORD OF PAM CHANGES

90. The first draft of the PAM has been prepared and discussed during loan fact-finding in February 2015. The PAM was revised and agreed upon during the loan negotiations in August 2015.

91. The PAM will be subject to change after ADB's Board approval of the project and during the period of project implementation. All revisions and updates of the PAM should be recorded in this section to provide a chronological history of the changes to the implementation arrangements recorded in the PAM.