

Project Administration Manual

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Kingdom of Cambodia:
Greater Mekong Subregion Tourism Infrastructure
for Inclusive Growth 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.

The Ministry of Tourism (MOT) and the Departments of Tourism (DOT) of Kampot, Kep and Koh Kong Province, are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by MOT and DOTs 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 the 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 (RRP) 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 |
| ADF | Asian Development Fund |
| AFS | audited financial statements |
| AH | affected household |
| AP | affected people |
| ASEAN | Association of Southeast Asian Nations |
| CBO | community based organization |
| CTG | community tourism group |
| DAFF | Department of Agriculture, Forestry and Fisheries |
| DBST | double bituminous surface treatment |
| DEF | Department of Economy and Finance |
| DMCBS | destination management capacity building support |
| DMF | design and monitoring framework |
| DMO | destination management organization |
| DMP | destination management plan |
| DMS | detailed measurement survey |
| DOT | Department of Tourism |
| DPWT | Department of Public Works and Transport |
| EA | executing agency |
| EMP | environmental management plan |
| FMPS | financial management and procurement support |
| GAP | gender action plan |
| GDP | gross domestic product |
| GMS | Greater Mekong Subregion |
| HIV | Human Immunodeficiency Virus |
| IA | implementing agency |
| IARS | imprest account reconciliation statement |
| ICB | international competitive bidding |
| IEE | initial environmental examination |
| Lao PDR | Lao People's Democratic Republic |
| LAR | land acquisition and resettlement |
| LFP | local focal points |
| MEF | Ministry of Economy and Finance |
| MOT | Ministry of Tourism |
| MTCO | Mekong Tourism Coordinating Office |
| MTDP | Mekong Tourism Development Project |
| NCB | national competitive bidding |
| NGO | nongovernment organization |
| NPSC | national project steering committee |
| O&M | operations and maintenance |
| PAI | project administration instructions |
| PAM | project administration manual |
| PCU | project coordination unit |
| PFM | public financial management |
| PIU | project implementation unit |
| PMCES | project management and civil engineering support |
| PPMS | project performance management system |
| PPP | public-private partnership |
| PPSC | provincial project steering committee |
| PRC | People's Republic of China |
| QBS | quality based selection |
| QCBS | quality- and cost-based selection |
| RP | resettlement plan |

| | |
|--------|--|
| RRP | Report and Recommendation of the President to the Board |
| SAO | state audit organization |
| SME | small and medium-sized enterprises |
| SOE | statement of expenditure |
| SPS | Safeguard Policy Statement |
| SPSC | subregional project steering committee |
| SPRSS | summary poverty reduction and social strategy |
| STDP | Sustainable Tourism Development Project |
| TOR | terms of reference |
| TWG | Tourism Working Group |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |

WEIGHTS AND MEASURES

| | | |
|----------------|---|--------------|
| km | – | kilometer |
| m | – | meter |
| m ² | – | square meter |
| m ³ | – | cubic meter |

NOTES

- (i) The fiscal year (FY) of the Government of Cambodia ends on 31 December. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2012 ends on 31 December 2012.
- (ii) In this report, “\$” refers to US dollars unless otherwise stated.

I. PROJECT DESCRIPTION

A. Rationale

1. Regional context. Among country groupings in Asia and the Pacific, the GMS has a strong comparative advantage in tourism due to its diverse tourism assets, good international air and land transport connectivity, effective visa policies, and surging demand for leisure travel. International tourist arrivals are growing at 12.4% per year—over four times the world average—and reached an all-time high of 44.8 million in 2012. About one-third of international tourists express interest in visiting at least two countries while travelling in the GMS, providing a strong impetus for regional tourism cooperation. Remarkably, the People's Republic of China (PRC) became the world's top outbound source market in 2012, with over 83 million outbound travelers spending \$102 billion, up 37% compared to 2011.¹

2. International tourism in the GMS currently generates \$44.3 billion in annual receipts, with spending on accommodation, food and beverages, transport, shopping, entertainment, and other discretionary items directly sustaining 7.1 million jobs. GMS-wide, about \$6,200 equivalent in tourism receipts sustain one job, making tourism one of the most labor-intensive of the non-agricultural sectors. Women account for over half of GMS tourism workers, however many are employed in the informal sector or in lower-skilled jobs paying lower wages.

3. Although the GMS is on track to attain its 2015 target of 52.02 million international arrivals, \$52.4 billion in tourism receipts, and 7.2 million tourism-related jobs, there is persistent inequity in the distribution of tourism benefits. Thailand earns \$25.4 billion annually, while the combined receipts for Cambodia, the Lao PDR, and Viet Nam are less than \$10.5 billion. There are also wide disparities in average tourism receipts per visitor, with Thailand generating \$1,138 compared to \$616 in Cambodia and \$154 in the Lao PDR. This is significantly less than the benchmark \$1,390 per visitor in Asia and the Pacific.

4. Cambodia's tourism profile. International tourist arrivals reached 3.58 million in 2012, a 24% increase compared to 2011. The direct contribution of travel and tourism to GDP is 11.5%. Tourism receipts equivalent to \$2.2 billion sustain 782,500 jobs or 12.4% of total employment.² About 60% of arrivals originate in Southeast and East Asia, with Viet Nam, the Republic of Korea, and the PRC as significant source markets. Average length of stay for long-haul markets is 6.3 days and average daily spending \$117. Since 2003, the number of hotels and guesthouses has more than doubled to 1,618 with 43,236 bedrooms, ranging from small family-owned enterprises to 5-star internationally branded properties. There are 589 travel agencies and tour operators employing 3,230 guides (13% women), 89% of which are based in Siem Reap. Gateway airports in Phnom Penh and Siem Reap are served by 23 airlines and receive about 24,000 inbound flights per year, mostly from neighboring GMS countries. Cambodia offers tourist visa-on-arrival for 179 countries and visa exemption for members of the Association of Southeast Asian Nations (ASEAN), making it one of the most visa-friendly destinations in the world.

5. Key issues and challenges. Although Cambodia possesses pristine beaches, a protected area network covering 24% of the country, and widely dispersed cultural attractions, tourism is highly concentrated in Siem Reap and the temples of Angkor Wat, which account for 58% of international arrivals. Underinvestment in transport infrastructure and environmental services needed to catalyze tourism investment in new destinations is a major constraint. Although improving, low service standards prevent Cambodia from attracting higher spending markets, as illustrated by the nearly 50% difference between the average daily room rate (\$137) and average revenue per available room (\$68). This is exacerbated by

¹ United Nations World Tourism Organization. 2013. *UNWTO Tourism Highlights*. Madrid.

² World Travel and Tourism Council. 2013. *Travel and Tourism Economic Impact 2013: Cambodia*. London.

weak institutional support for micro- small, and medium-sized enterprise development, resulting in only about 10% of destination spending reaching the poor and up to 40% of tourism receipts “leaking” out of the country in the form of tourism-related imports.³

6. Despite recent establishment of the Cambodian Tourism Marketing and Promotion Board, national marketing campaigns have had limited success in promoting new destinations due to a lack of industry coordination and funding shortages. Similarly, there are few public-private partnerships to develop and operate tourism-related infrastructure as a result of an incomplete legal and regulatory framework, scarcity of affordable finance, and lack of proactive project identification. Tourism competitiveness is further undermined by policy and regulatory impediments, with Cambodia ranking 133 out of 185 countries assessed in the World Bank’s *Doing Business Report*.⁴ Likewise, Cambodia ranks 109 of 139 economies evaluated in the World Economic Forum’s *Travel and Tourism Competitiveness Index*, scoring low on indicators for tourism infrastructure, hygiene, and enforcement of rules and regulations.⁵

7. Sector priorities and investment plan. The Government’s Tourism Development Strategic Plan (TDSP) 2012–2020 is targeting 7 million international arrivals and \$5 billion in tourism receipts by 2020. The 2009 Tourism Law provides the legal basis for the TDSP, mandating the Ministry of Tourism (MOT) to lead the development of a quality and sustainable tourism industry that contributes to poverty reduction and the protection of natural resources, culture, and customs. The strategic thrusts of the TDSP are to enhance (i) connectivity and travel facilitation; (ii) tourism product development; (iii) tourist safety and negative impact management; (iv) marketing and promotion; (v) legal and regulatory mechanisms to improve the business enabling environment; and (v) tourism-related human resource development.

8. The MOT recognizes that a well-functioning tourism industry requires effective coordination between many institutions and the provision of quality services by the private sector. In this context, the TDSP provides public agencies with a blueprint for prioritizing sector investments in transport, urban development, tourism vocational training and education, and policy enhancements to facilitate private investment in tourism superstructure and related services.⁶ The TSSP has 41 priority projects that mainly focus on accelerating tourism development outside of Siem Reap and Phnom Penh. Linking Cambodia with southern Viet Nam by road, air, and sea is seen as key to promoting growth in the coastal zone.

9. Related policies and strategies. The project is consistent with the Government’s Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase II 2009–2013 (the Rectangular Strategy) which supports (i) rehabilitation and construction of physical infrastructure, (ii) private sector development and employment, and (iii) capacity building and human resource development. Project investments are expected to contribute to the Rectangular Strategy’s objectives of improving public infrastructure, diversifying tourism products and services, and strengthening tourism-related value chains. The project will also contribute to regional efforts to develop the GMS corridors into economic corridors and promote the Mekong as a single tourist destination. It is closely aligned with the ADB Cambodia Country Partnership Strategy 2011–2013 emphasis on promoting inclusive economic growth through physical infrastructure improvements, economic diversification, and regional integration.

³ Mitchell, J and Ashley, C. 2010. *Tourism and Poverty Reduction: Pathways to Prosperity*. Earthscan, London.

⁴ World Bank. 2013. *Doing Business 2013*. Washington DC.

⁵ World Economic Forum. 2011. *The ASEAN Travel and Tourism Competitiveness Report 2012*. Geneva.

⁶ Tourism superstructure includes facilities that have been developed especially to respond to the demands of visitors.

10. Development coordination. The GMS Tourism Working Group (TWG), co-chaired by ADB, is the primary mechanism for coordinating regional tourism sector assistance.⁷ The TWG meets twice per year to review TSS implementation and identify policy priorities for elevation to the annual GMS Tourism Ministers' Meeting and the triennial GMS Summit. Other development partners assisting the tourism sector in the GMS include Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the International Trade Center, Japan International Cooperation Agency, Government of New Zealand, the United Nations World Tourism Organization, World Wildlife Fund, and the Wildlife Conservation Society. The leading industry group is Pacific Asia Travel Association (PATA) with over 1,100 members. Development partners, PATA, and members of the TWG will join the project's semiannual subregional steering committee meetings, enabling effective information sharing and enhanced partnerships.

11. Lessons. ADB's GMS tourism sector assistance program and completed GMS tourism projects are rated successful.⁸ Project design incorporates key lessons, including the need to (i) conduct detailed analysis of tourism demand during project preparation; (ii) improve cross-sector coordination to build synergies with other ADB and development partner assistance; (iii) provide capacity building for sustainable operations and maintenance (O&M); and (iv) promote enterprise development alongside infrastructure to increase the proportion of destination spending that reaches the poor. The project has selected relevant subprojects based on robust market analysis, which complement ADB assistance and the work of other development partners.⁹ It includes targeted capacity building for entities responsible for O&M of project facilities, significant support for micro- small and medium-sized enterprise promotion, mechanisms to strengthen collaboration with the private sector on destination marketing, statistics harmonization, and the implementation of regional tourism standards.

12. Special features. The project will (i) promote formal cooperation in tourism between government, civil society, the private sector, and local communities; and (ii) generate public revenue needed to finance the protection and maintenance of public goods such as rural and urban roads, marine passenger terminals, and heritage sites.

B. Impact and Outcome

13. The expected impact of the project is increased tourism employment for people living in underdeveloped segments of the GMS Southern Coastal Corridor. The outcome will be increased tourism receipts in Kampot, Kep and Koh Kong.¹⁰ By 2019 aggregate annual international tourism receipts in the three project provinces will increase from \$15 million to \$60 million, while direct tourism employment will increase from about 5,000 in 2012 to 22,000. In 2025. At least 60% of these jobs will be held by women.

C. Outputs

14. The project has four outputs: (i) last-mile tourism access infrastructure improved; (ii) environmental services in cross-border tourism centers improved; (iii) institutional capacity to promote inclusive tourism growth strengthened; and (iv) effective project implementation and knowledge management. Project areas in Cambodia include the Provinces of Kampot, Kep

⁷ The GMS TWG is comprised of senior tourism officials from all GMS National Tourism Organizations, development partners, civil society organizations, and private associations. It has met 32 times since 1992.

⁸ ADB.2009. *Sector Assistance Program Evaluation. Tourism Sector in the Greater Mekong Subregion*. Manila; ADB. 2011. *Completion Report: GMS Mekong Tourism Development Project*. Manila.

⁹ ADB. 2007. *GMS Southern Coastal Corridor Project*. Manila. ADB 2006. TA 6307-REG Implementation of the GMS Cross-Border Transport Agreement. TA 46443-REG Second Greater Mekong Corridor Towns Development Project.

¹⁰ Project provinces in Lao PDR = Champasak, Khammouane, Luang Prabang, and Oudomxay; Cambodia = Koh Kong, Kampot and Kep; and Viet Nam = Lao Cai, Dien Bien, Ha Tinh, Tay Ninh and Kien Giang.

and Koh Kong, which are contiguous with proposed project areas in Viet Nam, namely Kien Giang province.

15. The selection of output 1 and 2 infrastructure subprojects followed these criteria: (i) location in underdeveloped segment of a GMS corridor/GMS Tourism Sector Strategy priority tourism zone with good tourism and economic development potential; (ii) national investments demonstrate clear regional dimensions; (iii) inclusion in the current national tourism strategy; (iv) inclusion in the GMS Tourism Sector Strategy; (v) existing tourism access infrastructure and environmental services in subproject area is unable to cope with rapidly growing tourism or is constraining tourism growth; (vi) minor impacts for resettlement, environment, and indigenous peoples (i.e. category B or lower); (vii) key stakeholders, including local authorities and local communities endorse the subproject; (viii) indicative cost estimate for each subproject is at least \$1.5 million; and (viii) subprojects provide opportunities for private sector involvement.

16. **Output 1: Last Mile Tourism Access Infrastructure Improved.** This output will facilitate cross border tourism along the Southern Coastal Corridor through the establishment of a passenger ferry terminal in Kampot Town. It includes the following activities:

17. **Kampot Pier Development.** Kampot Province is a gateway to Cambodia's southern coastal attractions, receiving 25,000 international and 950,000 domestic visitors in 2012. In 2012 international arrivals increased by 33% compared to 2011, while domestic arrivals surged 188%. Development of the passenger pier on a 4 hectare site approximately 10 km south-east of Kampot Town, and linked to the southern coastal corridor, is intended to open new multimodal transport options for moving passengers and light freight between Phu Quoc Island, Viet Nam and Cambodia's coastal zone. The pier will also be used as a staging point for local excursions. It is expected the pier will service 360,000 international and domestic tourists upon its opening in 2018 and 442,000 by 2022. The subproject will (i) upgrade the existing 6.5 km laterite access road to a concrete surface with a 6 m carriageway; (ii) construct river bank stabilization, internal access roads, and a passenger landing area of approximately 1,500m²; (iii) construct a pier suitable for tidal and flood level fluctuation; (iv) construct a passenger arrival/departure hall with customs/immigration offices, administration and ticket offices, landscaped tourist reception/information center and public toilets (totaling about 2,500m²); (v) construct a parking area (2,000m²) and adjacent kiosks for food, beverage and souvenir vendors (750m²); (vi) install power supply and lighting systems to all internal and external public areas; (vii) install a new 50 mm water supply line from Kampot and provide storage and pressure supply at the pier site, (viii) install a wastewater treatment system (septic tanks) and solid waste storage/removal area; (ix) construct a perimeter security fence; (x) install supporting signage and utilities; and (xi) procure equipment to support customs and immigration operations.

18. The subproject will also install navigational aids and demarcate seagrass beds according to a regulated navigation management plan that the project will prepare for the Teuk Chhu estuary and adjacent coastal area. It is estimated the pier and associated facilities will create employment and income generating opportunities for 12,000 residents and over 100 local enterprises. Residents of the commune Chum Kreal with a population of 5,282 will benefit from new tourism-related economic opportunities. In addition, salt producing communities that live in the vicinity of the access road will benefit from more affordable and reliable transportation services.

19. **Output 2: Environmental Services in Cross Border Tourism Centers Improved.** This output will improve environmental services in the rapidly growing tourist destination of Kep, situated along the Southern Coastal Corridor connecting Cambodia with Thailand and Viet Nam. It will improve sanitary conditions for the local population and tourists, and help to

catalyze additional private investment in accommodations and other tourism-related enterprises. It includes the following activities:

20. Kep Crab Market Environmental Improvements. The crab market and adjacent beachfront hotel zone is the focus of both domestic and international tourism activity, receiving nearly 800,000 annual visitors. Intensive use, compounded by inadequate wastewater treatment and solid waste management is degrading the environment along the foreshore, threatens the health and well-being of local residents and tourists, and is becoming a deterrent to visit the area. The subproject proposes to (i) install a series of anaerobic baffle reactor tanks (ABR) and connect the toilets and sinks of shops and restaurants in the crab market to these units, (ii) expand the crab market structure in the adjacent dry goods area and upgrade internal drainage, paving, parking, and public toilets; (iii) provide an area for future installation of cold storage facilities in the crab market; (iv) provide for routine de-sludging of the ABR; (v) upgrade power supply and install improved lighting in the market and adjacent public areas; and (vi) install signage in key locations. It is expected the project will improve sanitation and environmental conditions for the 33 shops/restaurants, 300 mobile vendors, and 12,700 people living in the area adjacent to the crab market.

21. **Output 3: Institutional Capacity to Promote Inclusive Tourism Growth Strengthened.** This output will promote cooperation among public and private stakeholders in the tourism sector to sustainably develop, manage, and market tourist sites and destinations. It will complement output 1 and 2 infrastructure subprojects, and other ADB assistance in Cambodia such as the GMS Southern Coastal Corridor Project and upcoming Second GMS Corridor Towns Project by strengthening the capacity of destination management organizations (DMOs) to prepare and implement destination management plans (DMPs) at the subnational (i.e. cluster of provinces), provincial, and site level. The selection criteria for DMOs to receive project assistance (see Table 1) is as follows: (i) the DMO has primary management authority over the destination; (ii) the DMO has main responsibility for the long-term strategic approach for the development and management of the destination; (iii) it is well-positioned to coordinate collaboration between government, the private sector and local communities for destination management and marketing; (iv) men and women members expressed willingness to participate in the project; and (v) the DMO is adequately staffed.

22. This output will also promote tourism-related micro- small and medium-sized enterprise (MSE) development and includes activities to prevent the potential negative social impacts of tourism. Local MSEs will be selected for project support during implementation based on the following criteria: (i) there is an established management structure of the MSE or local production or service group in place; (ii) there is demonstrated market demand for products or services produced/marketed by the entity; (iii) there is strong potential to create jobs for women and members of local ethnic (minority) groups; and (iv) local men and women express interest in participating in project supported activities.

23. Output 3 includes the following activities:

24. Institutional Strengthening of Destination Management Organizations. This activity will establish suitable frameworks for destination planning, and strengthen policies and procedures needed to ensure the effective implementation of DMPs. It will provide training for DMO leaders and technical staff to prepare them to implement Output 3 activities, with a view to raise destination management practices to international standards.¹¹

25. Preparation of Destination Management Plans. This activity will support DMOs and build capacity within them to develop comprehensive DMPs. DMPs will include a strategic vision and action plans articulating the roles of different stakeholders, a logical sequence of

¹¹ See World Tourism Organization. (2007). *A Practical Guide to Tourism Destination Management*. Madrid.

activities, and resource requirements for implementation and monitoring. Particular attention will be given to promoting public-private partnerships (PPP), implementing the ASEAN Tourism Standards, and equitable participation of women and ethnic groups.

26. Heritage Protection, Management and Interpretation Program. This activity will facilitate (i) development of culture, nature and historic heritage protection measures such as heritage zoning and associated regulations; (ii) preparation of heritage management plans; (iii) heritage protection awareness campaigns; (iv) heritage guide training;¹² and (v) heritage research and interpretation, including the development of heritage trails, signage, leaflets, guidebooks and maps.

27. Public-Private Partnership (PPP) Facilitation. Based on the directions of DMPs, this activity will (i) facilitate service contracts, management contracts, and lease contracts for operation of public tourist facilities and ancillary services; and (ii) support the formation of destination marketing and promotion associations. Compliance with ASEAN Tourism Standards will be integrated into project-supported PPPs.

28. Development of Tourism-Related Micro- and Small-Enterprises. This activity will promote tourism-related micro- and small-enterprise development to boost income and employment generating opportunities for local people living in project areas, with a focus on enterprises that are accessible to women. A full range of micro- and small-enterprise development support services will be provided, including (i) business planning; (ii) facilitating access to microfinance; (iii) training in business management and marketing; (iv) service/production group formation/strengthening; (v) training of trainers and cascade training in hospitality services; (vi) support for product diversification, quality enhancement, and efficient production techniques; (vii) provision of equipment to improve village-based hospitality services; and (viii) marketing, promotion, and business networking.

29. Destination Marketing and Promotion Program. This activity will support DMOs to undertake effective destination marketing and promotion, with a strong emphasis on public-private collaboration. To ensure consistency between national marketing and product development efforts and regional initiatives to promote multicountry tours, implementation of this activity will be closely coordinated with the GMS marketing and promotion program. It includes support for market research, production of promotional materials (print and electronic), and DMOs organization/participation in tourism forums and trade events.

30. Public Health and Safety Promotion Program. To promote increased safety and well-being of tourists and residents, this activity will (i) conduct road safety awareness in communities living adjacent to project-supported road improvements; (ii) campaign to encourage wearing of helmets while operating motorbikes and prevent driving while intoxicated; (iii) strengthen systems to ensure compliance with tourist transport vehicle safety and maintenance regulations; (iv) conduct food safety and sanitation awareness seminars targeting tourist accommodation providers, restaurants, and local markets; and (v) assist tourist site operators improve solid waste management (i.e. reduce, reuse and recycling programs) and access municipal waste collection services.

31. Tourism Awareness Programs. This activity will support information and education campaigns to raise awareness among key tourism stakeholders and the general population about the (i) economic and social benefits of responsible tourism; and (ii) the potential negative impacts of tourism mismanagement such as the degradation of cultural and natural heritage and spread of communicable diseases.

¹² Where feasible in partnership with the UNESCO Cultural Heritage Specialist Guide Training Programme.

32. Program to Combat Child Exploitation and Human Trafficking. This activity will build on existing country/regional efforts to map out the occurrence of child exploitation (including child sex and child labor) and human trafficking in the tourism industry, and incorporate measures in DMPs to help prevent and enforce laws against these crimes.¹³

33. Table 1 lists the destinations and respective DMOs that have been prioritized for support under Output 3 by the MOT and DOTs, as well as linked Output 1 and 2 infrastructure subprojects. In Koh Kong province, the project will support DMOs identified in the Strategic Environmental Assessment (SEA) of the Tourism Sector in Cambodia, such as Peam Krasop community-based tourism association and surrounding villages.

Table 1: Institutional Strengthening for Destination Management Priorities

| Destination | Destination Management Organization | Linked infrastructure subproject |
|--------------------------------------|---|--|
| National-level | | |
| Cambodia | MOT in conjunction with the Cambodia Association of Travel Agents, Hotel Association and Restaurant Association | <ul style="list-style-type: none"> ▪ Kampot Pier Development ▪ Kep Crab Market Environmental Improvements |
| Subnational-level | | |
| Coastal Zone | National Committee for Management and Development of Cambodian Coastal Zone in conjunction with Provincial Coastal Zone Committees and DOTs of Kampot, Kep, Koh Kong, and Sihanoukville Provinces | <ul style="list-style-type: none"> ▪ Kampot Pier Development ▪ Kep Crab Market Environmental Improvements ▪ Urban environment, public health, and basic urban services (Kampot and Sihanoukville, as part of the Second Corridor Town Project) ▪ Improvements of coastal Road 4 (as part of the GMS Southern Coastal Corridor Project) |
| Provincial-level | | |
| Kampot Province | DOT/DPWT in conjunction with provincial tourism associations | <ul style="list-style-type: none"> ▪ Kampot Pier Development ▪ Tourist Information Center |
| Kep Province | DPWT in conjunction with provincial tourism associations | <ul style="list-style-type: none"> ▪ Kep Crab Market Environmental Improvements |
| Koh Kong Province | DOT in conjunction with provincial tourism associations | - |
| Site-level | | |
| Kampot Province | | |
| Kampot Town and Environs | DOT/DPWT in conjunction with public and private sector stakeholders | <ul style="list-style-type: none"> ▪ Kampot Pier Development |
| Preah Monivong (Bokor) National Park | DOT in conjunction with park management authority, public and private sector stakeholders | - |
| Kep Province | | |
| Kep Town | DPWT/DOT in conjunction with public and private sector stakeholders | <ul style="list-style-type: none"> ▪ Kep Crab Market Environmental Improvements |
| Kep National Park | DOT in conjunction with park management authority, public and private sector stakeholders | - |
| Koh Kong Province | | |
| Peam Krasop Wildlife Sanctuary | DOT and Peam Krasop Commune, in conjunction with public and private sector stakeholders | - |
| Cardamom Mountains | DOT in conjunction with park management authority, public and private sector stakeholders, NGOs (e.g. Wildlife Alliance) | - |

¹³ The project will collaborate with the Child Safe Tourism Campaign, in cooperation with World Vision, the United Nations Office on Drugs and Crime, and Interpol, active in Cambodia, the Lao PDR, and Viet Nam.

DOT = Department of Tourism; DPWT = Department of Public Works and Transport; MOT = Ministry of Tourism; NGO = nongovernment organization

34. Output 4: Effective Project Implementation and Knowledge Management includes:

35. Project Supervision and Management Structure Established. During the early stages of the project the executing agency (EA) will: (i) appoint Cambodia's representatives to the Subregional Project Steering Committee; (ii) establish a National Project Steering Committee and Project Coordination Unit (PCU); and (iii) establish Project Implementation Units (PIUs) in each participating province.

36. Mobilize Consultants and Procure Equipment. EAs will mobilize consulting services to assist with project implementation and management and procure equipment needed to operate the PCUs and PIUs. Consultant recruitment and procurement will be undertaken in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time) and ADB's *Procurement Guidelines* (2013, as amended from time to time).

37. Financial Management and Procurement Training. This activity will train PCU and PIU staff in financial management, disbursement and procurement procedures acceptable to ADB and the government. It will improve their capability to implement internationally acceptable accounting systems and procedures, internal controls¹⁴, and financial planning and reporting. Initial training will be carried out by consultants with experience in ADB financial management guidelines. Later, PCU/PIU staff will be invited to participate in periodic in-country disbursement seminars conducted by ADB's Controller's Department to continuously build their capacity manage the project's finances according to ADB disbursement policies, guidelines and procedures.

38. Finalize Monitoring Arrangements, Grievance Redress Mechanisms, and establish the Project Website. This activity will (i) prepare the Project Performance Management System (PPMS) and verify baseline conditions, indicators, and monitoring arrangements to measure project performance; (ii) finalize and disseminate grievance redress mechanisms; and (iii) establish a freely accessible project website in each participating country to disseminate information about the project such as procurement and consultant recruitment notices, information on contract awards, workplans, progress reports, knowledge products, social and environmental safeguards monitoring, and grievance redress procedures.

39. Conduct Resettlement and Environment Safeguards Monitoring. The PCU will (i) integrate safeguards monitoring into the PPMS, bringing together in one place the various monitoring requirements identified in resettlement plan, gender action plans, IEEs/EMPs; (ii) provide training for PIU staff to systematically implement safeguard monitoring as part of the overall project monitoring process; and (iii) include the status of safeguard implementation in the project's quarterly progress reports.

40. Develop Sustainable Finance Mechanisms and Implement Training for O&M of Project Facilities. This activity will facilitate preparation of O&M plans for all project-supported facilities, incorporating (i) preventative, regular, and emergency maintenance procedures; (ii) O&M staffing and training needs; (iii) administrative requirements; (iv) monitoring procedures; (v) sustainable income generation to finance O&M, such as environmental charges, tourist surcharges, or tourist entry; (vi) payment mechanisms; and (vii) training on the implementation of O&M plans.

¹⁴ An effective control environment includes internal control systems that provide assurance that financial records are reliable and complete and adhere to financial management policies. (*Handbook for Borrowers on the Financial Management and Analysis of Projects*, December 2006, available at: <http://www.adb.org/documents/handbook-borrowers-financial-management-and-analysis-projects>)

41. Update Baseline Information and Prepare an End of Project Impact Evaluation. This activity will facilitate the preparation of a comprehensive baseline report during the initial stages of project implementation. This will contribute to establishing an accurate baseline for the PPMS indicators and serve as the basis for the project's midterm review, end of project impact evaluation, and project completion report.

42. GMS Tourism Statistics Harmonization. This activity will facilitate harmonization of the collection, analysis and reporting of GMS tourism statistics according to internationally accepted practice such as those set by the World Tourism Organization. It will provide resources to (i) hold joint workshops to agree on uniform survey, analysis, and reporting formats; (ii) train National Tourism Organization staff in the production of uniform reports; (iii) publish and disseminate the reports; and (iv) establish a mechanism for the Mekong Tourism Coordinating Office (MTCO) to consolidate the country reports and systematically publish them on its GMS tourism statistics webpage.¹⁵

43. GMS Marketing and Promotion Program. This activity will support joint marketing and promotion of multi-country tour circuits as prioritized by the GMS Tourism Working Group. It will provide resources to (i) plan regional marketing and promotion initiatives; (ii) support jointly-agreed activities such as multi-country familiarization tours for investors, tour operators, and the media; (iv) produce targeted promotional materials (print and electronic); and (iii) support DMOs organization/participation in international tourism forums and trade events.

44. ASEAN Tourism Standards Implementation. This activity will boost regional efforts to improve and standardize tourism services through implementation of the ASEAN Tourism Standards. It will facilitate (i) development of a national certification processes for ASEAN Tourism Standards; (ii) preparation of training manuals; and (iii) implementation of training and certification in key tourist destinations.

45. Gender Equality and Ethnic Participation Program. To ensure equal access to economic opportunities created by the project, this activity will (i) raise awareness about gender equality and social inclusion; (ii) facilitate review, update and support implementation of the project's Gender Action Plan; and (iii) build the capacity of national and PIU Safeguards Specialists to oversee implementation of the action plans. Specific indicators for monitoring implementation of the GAP will be included in the PPMS.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

46. The status of project readiness activities are summarized in Table 2 and Table 3.

Table 2: Project Readiness Activities

| Activity | 2014 | | | | | | | Who responsible |
|------------------------------------|------|------|-----|-----|-----|-----|-----|-----------------|
| | June | July | Aug | Sep | Oct | Nov | Dec | |
| Advance actions for procurement | | | | X | X | X | X | ADB and EA |
| Approval of safeguards documents | | X | | | | | | EA and ADB |
| Disclosure of safeguards documents | | X | | | | | | ADB and EA |
| ADB Staff Review Meeting | | | X | | X | | | ADB |
| Establishment of NPSC | | | | X | | | | EA |
| Establishment of PPSCs | | | | X | | | | EA |
| Establishment of PCU and PIUs | | | | X | | X | X | EA |

¹⁵ This activity will be implemented in close coordination with TA 8516 Strengthening the Mekong Tourism Coordinating Office 2013–2015 (approved October 2013), which will prepare a GMS tourism knowledge management platform, and create a website and online tools that will aggregate and distribute up-to-date information on tourism industry performance based on user demand, including tourism statistics.

| | | | |
|--|---|--------|------------|
| Loan negotiations | X | | ADB and EA |
| Recruitment of consulting firms | X | X | EA |
| ADB Board approval | | X | ADB |
| Loan signing | | (2015) | ADB and EA |
| Loan effectiveness (approximately 3 months after loan signing) | | | ADB and EA |

ADB = Asian Development Bank; EA = executing agency; NPSC = national project steering committee; PCU = project coordination unit; PIU = project implementation unit; PPSC = provincial project steering committee.

B. Overall Project Implementation Plan

47. The project is expected to be implemented over a period of 5 years, from 1 January 2015 until 31 December 2019. The overall project implementation plan is shown in Table 4. The plan will be updated during the loan inception mission and annually by MOT and ADB based on actual physical progress.

Table 3: Detailed Project Readiness Filters

| Key Project Preparation Elements | Stage of Project Preparation | | | | Status (October 2014) |
|---|--|--|--|---|---|
| | Identification/ preparation | Appraisal/ Fact-Finding | Negotiations | Effectiveness | |
| STANDARD READINESS FILTERS | | | | | |
| Identification of Project Director and EA/IA project management and implementation teams to be responsible for project implementation | EA staff has been assigned to lead project preparation | Definition of their project-related TOR, and back-up arrangements to ensure continuity | Full Project Management and Implementation Teams assigned. | Launch workshop done within 3 months: the launch workshop should focus in particular on the training of staff on the detailed implementation arrangements (program manuals) | TORs and job descriptions for EA and IA counterparts, contractors, and consultants in draft PAM. PCU team appointed. |
| Risk Management plans / Good Governance Framework | Broad content defined | Drafted | Completed and agreed. A project staff has been assigned as focal point | | Approved by EA and in PAM. |
| Financial Management Capacity Assessment of EAs/IAs | | Completed | Start-up actions initiated | Start-up actions implemented, including financial management training within 2 months | Completed, summary attached to fact-finding MOU. |
| Procurement Capacity Assessment (PCA) of EAs and IAs | | Completed. PCA is reviewed by Development partner's Procurement Departments | Start-up actions initiated | Start-up actions implemented | Completed, summary attached to fact-finding MOU. |
| Annual implementation plan and budget | | Drafted | Completed and agreed. | Plan and budget obtained no objection by DP | First year annual work plan and budget being prepared. |
| Program/project manuals | | Drafted | Completed and agreed. | Manuals obtained no objection by DPs | Draft PAM attached to fact-finding MOU. |
| Auditing arrangements including TOR | | Agreed | Confirmed | | Draft audit TOR in PAM has been presented to EA for endorsement. |
| Environment Impact Assessment (EIA) and Social Impact Assessment. | Requirements defined | Agreed | Action plans initiated | Action plans ongoing | Draft completed. |
| Budget & funding from DP and Government for the 1 st year of project implementation | | Needs defined | Confirmed | Available | Needs have been defined. |
| ADDITIONAL READINESS FILTERS | | | | | |
| Advance Actions for 1st year Bidding Documents for goods and work | | List of items, timetable and responsibilities for implementation of AA, | BD No objection obtained by the DP and issued. | Ready for signing (notably for goods) | Procurement plan in draft PAM attached to fact-finding MOU. 1 st year bidding documents prepared. |
| Advance Actions for consultants | TORs for project implementation consultants drafted | TORs finalized. RFP reviewed by Development Partner's Procurement Departments | RFP issued. | 1. Technical and financial proposals evaluated. 2. Contract negotiations done. 3. Contracts ready for signing | In draft PAM attached to fact-finding MOU. TOR prepared and submitted to EA. |

| | | | | | |
|--|--|--|--|---|---|
| Implementation of Resettlement Plan (at least for 1st year) with attention to: (i) Sufficient budget for compensation and income restoration (ii) Coordination with IRC and EA Resettlement Units (iii) Updating of Resettlement Plan | | Uploading a draft Resettlement Plan/Framework endorsed by borrower | Government budgets approved | Start implementation by •recruiting an external monitoring agency within 3 months) •conducting detailed measurement survey within 6 months •conducting replacement cost study within 2 months •updating the resettlement plan within 2 months | Draft Resettlement Plan attached to fact-finding MOU. Closely coordination with IRC on review and approval. |
| Identification of staff at provincial, district and commune levels | EA/IA confirm that staff work plans will be prepared before fact-finding | Work plans agreed with field staff | EA/IA confirm staff availability and that TORs have been discussed and agreed with field staff | | PCU/PIU staff contingent and job description/TORs in draft PAM attached to fact-finding MOU. PIU staff being selected. |
| Monitoring and evaluation arrangements and baselines | Project Development Objective and Key results indicators (KRIs) identified | M&E arrangements agreed Collected (if subprojects have been identified). A project staff has been assigned as focal point | Confirmed | Collected within 3 months (if no identification of baselines was done during project preparation) | Monitoring arrangements and KRIs in draft PAM attached to fact-finding MOU. Monitoring focal to be established in PCU and PIUs. |
| Prakas establishing PMU/PIUs include details on the monetary thresholds for Project Director and Manager to sign contracts and approve payments | Requirements defined | Prakas signed | Thresholds confirmed | | To be guided by Cambodian SOPs. |

AA = advanced actions; ADB = Asian Development Bank; BD = bidding documents; DP = development partner; EA = executing agency; IEE = initial environmental examination; MOU = Memorandum of Understanding; MEF = Ministry of Economy and Finance; IRC = Inter-ministerial Resettlement Committee; ODA = official development assistance; PAM = project administration manual; PIU = project implementation unit; PMU = project management unit; RRP = Report and Recommendations to the President; SOP = standard operating procedures; TAMU = technical assistance management unit.

Table 4: Project Implementation Plan (to be shifted during inception mission)

| Activities | 2014 | | | 2015 | | | | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | |
|---|--------|----|----|--------|----|----|----|--------|----|----|----|--------|----|----|----|--------|----|----|----|------|----|----|----|----|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Project year | Year 1 | | | Year 2 | | | | Year 3 | | | | Year 4 | | | | Year 5 | | | | | | | | |
| Project quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | | | | |
| Output 1. Last-mile tourism access infrastructure improved | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1 Prepare detailed civil works design and bidding documents | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.2 Approval of updated safeguards documents (IEE and RP) | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.3 Complete land acquisition and resettlement if necessary | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.4 Civil works contracts awarded | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.5 Civil works completed and equipment supplied | | | | | | | | | | | | | | | | | | | | | | | | |
| Output 2. Environmental Services in cross-border tourism centers improved | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.1 Prepare detailed civil works design and bidding documents | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.2 Approval of updated safeguards documents | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.3 Complete land acquisition and resettlement if necessary | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.4 Civil works contracts awarded | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.5 Civil works completed and equipment supplied | | | | | | | | | | | | | | | | | | | | | | | | |
| Output 3. Institutional capacity to promote inclusive tourism growth strengthened | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.1 Destination management plans prepared | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.2 Implement heritage protection and interpretation program | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.3 Implement micro- and small enterprise support program | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.4 Implement health, safety and tourism awareness programs | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.5 Facilitate establishment of public-private partnerships | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.6 Implement national marketing and promotion program | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.7 Implement program to combat child exploitation and human trafficking | | | | | | | | | | | | | | | | | | | | | | | | |
| Output 4. Effective project implementation and knowledge management. | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.1 Establish project steering committees | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.2 Mobilize consultants and procure PCU/PIU equipment | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.3 Implement training on financial management | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.4 Finalize and train PIU/PCU staff to implement comprehensive sex disaggregated PPMS, including safeguards monitoring | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5 Establish and maintain web-based knowledge center | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.6 Implement gender action plan | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.7 Implement GMS marketing and statistics harmonization programs | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.8 Implement ASEAN tourism standards program | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.9 Approve and implement O&M plans with sustainable finance mechanisms | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.10 Update baseline information and prepare end of project impact evaluation | | | | | | | | | | | | | | | | | | | | | | | | |

ASEAN = Association of Southeast Asian Nations; GMS = Greater Mekong Subregion; IEE = initial environmental examination; RP = resettlement plan; PCU = project coordination unit; PIU = project implementation unit.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations – Roles and Responsibilities

48. The Ministry of Tourism will be the executing agency. In each participating province, the Department of Tourism will be the implementing agency. Project oversight will be provided by subregional, national, and provincial steering committees.

49. Subregional Project Steering Committee (SPSC). The SPSC will consist of representatives from the EA in each of the project's participating countries, namely, (i) Ministry of Tourism, Cambodia; (ii) Ministry of Information, Culture and Tourism, Lao PDR; and (iii) Ministry of Culture, Sports and Tourism, Viet Nam. The SPSC will be chaired on a rotating basis by a Minister or Vice-Minister of each respective EA. Minister, MOT will represent Cambodia on the SPSC. It will meet twice a year in conjunction with GMS Tourism Working Group (TWG) meetings. The Mekong Tourism Coordinating Office will act as SPSC Secretariat. At each meeting, the host country will plan a half-day thematic workshop that focuses on an issue of importance to sustainable destination development and management in the GMS. TWG members from all GMS countries will be invited to participate in the workshops.

50. National Project Steering Committee (NPSC). The NPSC will provide policy guidance and oversee project implementation at the national level. The NPSC will be chaired by Minister, MOT, and its members will include representatives from the Ministry of Public Works and Transport (MPWT), Ministry of Economy and Finance (MEF), Ministry of Interior (MOI), Ministry of the Environment (MOE), Ministry of Women's Affairs (MOWA), the National Committee for Cambodia's Coastal Management and Development, and Vice-Governors of the project's participating provinces. The NPSC will meet at least once per year. The PCU will act as the NPSC Secretariat.

51. Project Coordination Unit (PCU). The PCU will be established in MOT, to be headed by the Secretary of State as project director, (appointed by the Minister), assisted by a project manager and financial controller, office assistant, and other administration and support staff appointed by the project director. The PCU will be augmented by a MEF representative to oversee compliance with government rules and regulations regarding financial management and procurement, and a senior representative from MPWT to advise MOT on the project's infrastructure subprojects and provide oversight for supervision of the works.

52. Provincial Project Steering Committees (PPSC). The PPSC will oversee project implementation at the provincial level. The PPSC shall be chaired by a Vice-Governor of each participating province, and its members shall include representatives from the Department of Tourism (DOT), Department of Public Works and Transport (DPWT), Department of the Environment (DOE), Department of Economy and Finance (DEF) and representatives of other departments and agencies in the existing Provincial Tourism Development and Management Committees, as appointed by the PPSC chairperson. The PPSC will meet at least once per year. The PIU will act as the PPSC Secretariat.

53. Project Implementation Units (PIUs). PIUs will be embedded in DOT Offices in Kampot, Kep and Koh Kong. Each PIU will be headed by a project director from the DOT who will be assisted by a manager, finance officer, accountant and a secretary. The Kampot and Kep PIUs will each have two full-time technical teams. One team, consisting of a civil works coordinator, engineer, surveyor and safeguards specialist seconded from the DPWT will manage output 1 and output 2 infrastructure subprojects. The other team will comprise a tourism coordinator, training specialist, tourism planner, and marketing and product development specialist from the DOT to manage output 3 activities. Koh Kong will establish

a PIU in the DOT, comprising a tourism team only. PIUs will administer project sub-accounts to facilitate day-to-day management of the project. Support for reporting, financial management, safeguards, knowledge management, and regional cooperation (output 4), will be led by the PCU in close coordination with all PIUs.

54. Local Focal Points (LFP). To ensure that there is good coordination between the PCU, PIUs and project beneficiaries LFPs will be established in community based organizations (CBO), village development committees, community tourism groups and industry associations. If there are no active CBOs or industry associations in project areas, assistance will be extended to form them.¹⁶

55. The roles and responsibilities of the entities managing implementation of the project are summarized in Table 5. The project organization structure is presented in Figure 1.

Table 5: Management Roles and Responsibilities

| Management Entity | Roles and Responsibilities |
|--|--|
| Subregional Project Steering Committee | <ul style="list-style-type: none"> ➤ Provide policy guidance; ➤ Coordinate subregional activities; ➤ Facilitate knowledge sharing on sustainable tourist destination management models in the GMS. |
| National Project Steering Committee | <ul style="list-style-type: none"> ➤ Provide policy guidance and advice on project-related issues; ➤ Oversee implementation in conformity with the project's development objectives and scope; ➤ Review overall project outputs and achievement towards project impact and outcome; ➤ Assist in coordination among local government agencies involved in project implementation and related activities; ➤ Review progress and monitoring reports and ensure that information on project progress is disseminated to relevant government agencies and address any planning and coordination issues arising; ➤ Facilitate permissions to ensure the timely release of funds to the PCU and PIUs; ➤ Facilitate the selection of counterpart staff; ➤ Ensure the timely approval of work permits and visas for international staff working on the project. |
| Executing agency (MOT) | <ul style="list-style-type: none"> ➤ Approves the project's annual workplan and budget; ➤ Overall responsibility for the execution of the project; ➤ Reviews the project implementation progress; ➤ Reviews and endorses any proposed change in the project scope or implementation arrangements; ➤ Supervises compliance with loan covenants; ➤ Provides oversight for financial management of the project. |
| Project Coordination Unit (embedded within MOT), with MEF and MPWT representation) | <ul style="list-style-type: none"> ➤ Administer the project imprest account for the ADB loan ➤ Project preparation, including the establishment of financial and management systems and procedures, procurement of equipment, management of the project's imprest account; ➤ Consultant recruitment and supervision; ➤ Preparation and submission of rolling annual action plans, consolidating PCU-led activities and workplans received from PIUs to the NPSC; ➤ Ensuring compliance with loan covenants and assurances in respect of all subprojects and the good-governance framework ➤ Facilitate updating and coordinate with relevant agencies approval of and ensure compliance with IEE, EMPs, GAP and resettlement plan; ➤ Review and approval of goods and civil works contracts, including bid documents; |

¹⁶ This could include community tourism groups such as site management committees, guide association, transport associations, etc.

| Management Entity | Roles and Responsibilities |
|---|--|
| | <ul style="list-style-type: none"> ➤ Approval of payment to contractors and maintaining disbursement records; ➤ Coordination between the concerned agencies at the national and provincial levels; ➤ Coordination of activities of the PIUs and the inputs of concerned stakeholders; ➤ Coordination of all reporting aspects of the project; ➤ Coordination of institutional strengthening measures; ➤ Administrative and technical support to the PIUs; ➤ Preparation of consolidated project accounts to be forwarded to ADB; ➤ Advise PIUs on revenue-enhancing activities related to the recovery of operations and maintenance costs for project facilities and equipment; ➤ Coordination of project audits; ➤ Coordinate all specified monitoring, evaluation and reporting activities; ➤ Communication of project's outcomes, outputs, and activities to all stakeholders. |
| Provincial Project Steering Committee | <ul style="list-style-type: none"> ➤ Ensuring that concerns of all local stakeholders are adequately addressed by the project; ➤ Coordination between concerned agencies; ➤ Confirming compliance with local regulations and provincial policies; ➤ Overseeing budgeting and disbursement of counterpart funds; ➤ Overseeing implementation of resettlement plan, compensation schemes and all other project safeguard procedures. |
| Project Implementation Units (embedded within the DOTs of Kampot, Kep and Koh Kong Provinces, with DPWT representation) | <ul style="list-style-type: none"> ➤ Preparation of provincial-level rolling annual workplans for approval by the Vice-Governor who is also the Chairperson of the Provincial Project Steering Committee and onward submission to PCU for incorporation into project's overall annual plan; ➤ Coordination and supervision of consultant inputs for detailed design of civil works; ➤ Coordinate with the relevant agencies and consultants on updating the safeguard documents; ➤ Administer project sub-accounts for the ADB loan ➤ Approving payments and maintaining disbursement records for PIU managed expenditure; ➤ Ensuring that institutional-strengthening and capacity-building initiatives involving DMOs, SMEs and CBOs are implemented in line with agreed project designs, schedules and budgets; ➤ Establish/enhance mechanisms to sustainably finance operation and maintenance of project supported infrastructure; ➤ Promote identified public-private partnership (PPP) initiatives; ➤ Coordination with all concerned stakeholders; ➤ Monitoring and quarterly reporting on progress and issues to the PCU. |
| Local Focal Points (LFP) | <ul style="list-style-type: none"> ➤ Conveying community concerns to the PIU; ➤ Ensuring that the concerns of the community are adequately reflected in the project plans and activities; ➤ Assist with the implementation of community awareness programs; ➤ Ensure that the community is involved in community-based monitoring and evaluation. |
| ADB | <ul style="list-style-type: none"> ➤ Assists PCU through timely guidance at each stage of project implementation following agreed implementation arrangements; ➤ Timely review all documents that require ADB approval; ➤ Provide oversight for procurement and consultant recruitment; ➤ Periodic project review missions, midterm evaluation and evaluation at project completion; ➤ Monitoring compliance of all loan covenants; ➤ Timely processing of withdrawal applications and release of eligible funds; ➤ Monitoring compliance of financial audit recommendations; |

| Management Entity | Roles and Responsibilities |
|-------------------|--|
| | ➤ Regularly updates project information disclosure on the ADB website. |

ADB = Asian Development Bank; DOT = Department of Tourism; DMO = destination management organization; DPWT = Department of Public Works and Transport; GAP = gender action plan; IEE = initial environmental examination; LFP = local focal point; MEF = Ministry of Economy and Finance; MOT = Ministry of Tourism; MPWT = Ministry of Public Works and Transport; RP = resettlement plan; PCU = project coordination unit; PIU = project implementation unit; PPP = public-private partnership; SME = small and medium-sized enterprise.

56. An overview of job descriptions for the PCU and PIU-based national project staff are provided in Table 6.

Table 6: PCU and PIU Staff Job Descriptions

| Position | Job Description | Requirements |
|--------------------------------------|---|--|
| PCU staff | | |
| National Project Director | The PCU-based National Project Director (NPD) reports to the National Project Steering Committee (NPSC) on the overall supervision and implementation of the project and ensures that the NPSC, Subregional Project Steering Committee (SPSC) and ADB are kept informed of project developments, issues and progress. The NPD oversees the work of PCU and PIU staff, and the recruitment and performance of international and national consultants, ensuring budgets and work plans are approved and executed on time and on target. | A senior government official with at least 10 years project management experience. Bachelor's degree or equivalent and competence in spoken and written English. |
| National Project Manager | The PCU-based National Project Manager (NPM) reports to the NPD, ensuring effective coordination and implementation of the project. The NPM's main duties involve assisting the PIU's prepare and implement detailed annual work plans and budgets, including a five-year project implementation plan and rolling annual action plans. The NPM will oversee consultant recruitment and procurement, and implementation of the Project Performance Monitoring System (PPMS), including monitoring of environmental and involuntary resettlement, implementation of the poverty reduction and social strategy, and gender action plans. The NPM will further be responsible for ensuring that the day-to-day management and administration of the project implementation is in line with Updated Standard Operating Procedures for All Externally Financed Projects/ Programs in Cambodia | A senior government official with at least 8 years project management experience. Bachelor's degree or equivalent and competence in spoken and written English. The NPM will make frequent trips to the provinces to monitor project implementation. |
| Civil Works Supervisor (MPWT) | The Civil Works Supervisor (CWS), appointed by the Ministry of Public Works and Transport, is responsible for the supervision of all technical aspects of infrastructure subprojects, and ensures compliance with national standards, codes, laws and regulations. The CWS will work closely with and advises the PIU Infrastructure Teams and the international and national civil engineering consultants. | A senior government official from the MPWT with at with at least 8 years of experience overseeing internationally financed projects. Bachelor's degree in engineering and good command of spoken and written English. |

| Position | Job Description | Requirements |
|------------------------------------|--|---|
| Financing Coordinator (MEF) | The Financing Coordinator (FC), appointed by the Ministry of Economy and Finance, will work closely with the Financial Controller and Procurement Officer to ensure that the project is implemented in accordance with the ADB's guidelines as well the Government's Procurement and Financial Management Manual for All Externally Financed Projects/Programs in Cambodia. The FC works closely with the national and international Financial Management and Procurement Specialists. | A senior government official from the MEF with at least 5 years of experience overseeing financial management and procurement in internationally supported projects. Good command of spoken and written English. |
| Financial Controller | The PCU-based Financial Controller (FC) reports to the National Project Director, overseeing the day-to-day financial management of the project. The FC, supported by the financial management and procurement consultants, will (i) facilitate the establishment of the necessary accounts at the PCU/PIU level as required by ADB, (ii) establishes the required accounting, withdrawal approval and audit systems and procedures, (iii) set up accounting software in line with project requirements, (iv) complete the terms of reference for audit institutions, (v) develop and bid evaluation criteria for procurement in accordance with ADB guidelines, (vi) establish a system for safekeeping of tender documents, minutes of committee meetings, contracts and financial and audit reports; (vii) prepare financial projections against the work plans, (viii) carry out a financial management and procurement training program for PIU staff; (ix) undertake day-to-day project financial accounting activities; (x) monitor the flow of funds to the PCU and PIUs; (xi) monitor cash flow; (xii) ensure that accurate, up-to-date information regarding the project's finances is available to the National Project Director and National Project Manager upon demand; (xiii) provide ongoing training and coaching to PIU's as needed; (xiv) prepare regular financial reports for transmission to the EA and the ADB; and (xv) assist external auditors carry out the annual audit. The FC will also ensure that the project complies with the Government's Procurement and Financial Management Manual for All Externally Financed Projects/Programs in Cambodia and that counterpart-funded payments to public officials who are selected to work on the project are in accordance with the Government's Priority Operating Costs Implementation Guide. | A senior government official with at least 8 years previous experience in financial management of internationally financed projects, preferably projects financed by ADB. Master's degree or equivalent and competence in spoken and written English. |
| Procurement Officer | The PCU-based Procurement Officer (PO) reports to the Financial Controller (FC) and, under the direction of the FC, manages all aspects of procurement of goods, works and services of the project, especially verifying and ensuring that procurement is carried out in accordance with ADB and Government rules and procedures, particularly the Updated Procurement Manual for All Externally Financed Projects/Programs in Cambodia. The PO works closely with the national and international Financial Management and Procurement Specialists. | A degree in financial management or other related field with at least 5 years of experience working on procurement in internationally supported projects. Good command of spoken and written English. |

| Position | Job Description | Requirements |
|--------------------------------------|---|--|
| Tourism Specialist | The PCU-based Tourism Specialist (TS) reports to the National Project Manager, overseeing the implementation of all output 3 destination management capacity building activities at the national level, and supporting the PIU Tourism Coordinators implement output 3 activities at provincial level. The TS works closely with the international and national Destination Management Capacity Building Support consultants. | A degree in tourism with at least 5 years of experience working on tourism development and management, preferably on internationally supported projects. Good command of spoken and written English. |
| Safeguards Coordinator | The PCU-based Safeguards Coordinator (SC) reports to the National Project Manager, overseeing compliance with the project's environmental and social safeguards. The SC will (i) facilitate the implementation of the EMPs and RP, and ensure integration of safeguards into activity design and implementation under all project outputs; and, (ii) establish and maintain a system for organizing all safeguards documents and reports for easy retrieval. The Safeguards Coordinator works closely with the safeguards and social development specialists of the Project Management and Civil Engineering Support consultants. | A degree in social science and at least 5 years work experience in social development, preferably on internationally supported projects. Good command of spoken and written English. |
| Tourism Training Coordinator | The PCU-based Tourism Training Coordinator (TTC) reports to the Tourism Specialist, coordinating all tourism training aspects of output 3 and 4. The TSS will work closely with the international and national Destination Management Capacity Building Support consultants. | A relevant degree with at least 3 years of experience working on tourism training, preferably on internationally supported projects. Good command of spoken and written English. |
| Tourism Planning Coordinator | The PCU-based Tourism Planning Coordinator (TPC) reports to the Tourism Specialist, coordinating all tourism planning aspects of output 3 and 4. The TSS will work closely with the international and national Destination Management Capacity Building Support consultants. | A relevant degree with at least 3 years of experience working on tourism planning, preferably on internationally supported projects. Good command of spoken and written English. |
| Tourism Marketing Coordinator | The PCU-based Tourism Marketing Coordinator (TPC) reports to the Tourism Specialist, coordinating all tourism marketing aspects of output 3 and 4. The TSS will work closely with the international and national Destination Management Capacity Building Support consultants. | A relevant degree with at least 3 years of experience working on tourism marketing, preferably on internationally supported projects. Good command of spoken and written English. |

| Position | Job Description | Requirements |
|-----------------------------|---|---|
| Office Assistant | The PCU-based Office Assistant reports to the national Project Manager, supporting the day-to-day operations of the PCU. Main tasks include: (i) maintenance of equipment and materials in the PCU, (ii) disbursement of petty cash; (iii) record keeping and maintenance of the project filing system; (iv) preparation of correspondence for the project management team; (iv) making travel arrangements; (v) taking minutes at meetings; and (vi) supporting the overall efficient function of the PCU office facility; provision of logistical support to the PCU as needed. | At least 3 years previous experience working on ADB or other internationally financed projects as support staff. Ability to word processing software and the internet. |
| Driver | The PCU-based driver (i) safely and responsibly operates the PCU project vehicle at the request of the National Project Director, National Project Manager; (ii) ensures that the vehicle is maintained in good condition; and (iii) reports any damage or mechanical malfunctions that exist to the National project Manager. | At least 3 years previous experience as project driver. A valid driver's license and able to safely operate the project vehicles. |
| PIU Management Staff | | |
| PIU Director | The PIU Director reports to the Provincial Project Steering Committee (PPSC), providing overall supervision of the project at the provincial level, ensuring the PPSC is kept informed of project developments, issues and progress. The PIU Director coordinates with related government agencies and development partners in the implementation of civil works subprojects and capacity building activities. Supervises and approves all project activities and PIU expenditures. | A senior government official with at 8 years of experience managing internationally financed projects. Bachelor's degree or equivalent. |
| PIU Manager | The PIU Manager reports to the PIU Director, overseeing the day-to-day implementation and monitoring of all PIU activities. The PIU Manager prepares project activity proposals, budgets, and activity reports for submission to the PCU The Project Manager serves as Deputy Director of the PIU. | A mid-level government official with at least 5 years of experience managing internationally financed projects. Bachelor's degree or equivalent and good command of spoken and written English. |
| Finance Officer | The PIU-based Finance Officer reports to the PIU Director, overseeing the establishment and monitoring the PIUs accounting systems and procedures, tracks the use of project funds, and ensures accurate, up-to-date financial accounting information is available to the PIU Director and PCU Financial Controller. | At least 5 years of experience managing internationally financed projects. Bachelor's degree or equivalent and good command of spoken and written English. |

| Position | Job Description | Requirements |
|----------------------------|---|--|
| Accountant | The PIU-based Accountant reports to the PIU Finance Officer, assisting with (i) establishment of the PIU's accounting system and procedures, (ii) day-to-day financial record keeping; (iii) preparation of budget requests to accompany project activity proposals for submission to the PCU; (vi) ensuring that accurate, up-to-date financial accounting information is available to the Finance Officer, and (vii) preparing regular financial reports for transmission to the PCU; and (viii) assists external auditors carry out the projects annual audit of PIU accounts. | At least 5 years previous experience as accountant on ADB or internationally financed projects. Bachelor's degree or equivalent. Ability to use accounting and word processing software. Good command of spoken and written English. |
| Secretary | The PIU-based Secretary reports to the PIU Director, providing general secretarial support to the PIU including preparation of correspondence, meeting logistics, photocopy and transcription, and monitoring the condition of project equipment. | Ability to use word processing software and the internet. Basic understanding of English. |
| Driver | The PIU-based driver (i) safely and responsibly operates the PIU project vehicle at the request of the PIU Director and PIU Manager; (ii) ensures that the vehicle is maintained in good condition; and (iii) reports any damage or mechanical malfunctions that exist to the PIU Manager. | At least 3 years previous experience as project driver. A valid driver's license and able to safely operate the project vehicles. |
| PIU Tourism Team | | |
| Tourism Coordinator | The PIU-based Tourism Coordinator reports to the PIU Manager, overseeing the implementation of all output 3 destination management capacity building activities, and ensuring that project social and environmental safeguards and development objectives and targets are fully integrated into activity design. The Tourism Coordinator works closely with the international and national Destination Management Capacity Building Support consultants, as well as with the safeguards and social development specialists of the Project Management and Civil Engineering Support consultants. | A mid-level government official with at least 5 years of experience managing internationally financed projects. Bachelor's degree or equivalent and good command of spoken and written English. |
| Training Specialist | The PIU-based Training Specialist reports to the PIU Tourism Coordinator, preparing and implementing all training and capacity building activities included in output 3. The Training Specialist works closely with the international and national Destination Management Capacity Building Support consultants on the development of relevant training materials, recruitment of local resource persons, identification and selection of training participants, logistical arrangements for the trainings and pre and post-training evaluations. | At least 5 years of experience delivering hospitality and enterprise development training. Bachelor's degree or equivalent and good command of spoken and written English. |

| Position | Job Description | Requirements |
|---|--|--|
| Tourism Planner | The PIU-based Tourism Planner reports to the PIU Tourism Coordinator, implementing tourism planning activities. The Tourism Planner works closely with the international and national Destination Management Capacity Building Support consultants on (i) providing technical assistance to the destination management organizations (DMOs) on the preparation of destination management plans (DMPs) and supporting the DMOs in the implementation of the DMPs and (ii) assist with identification micro- and small-enterprise support services needed in the project area. | At least 5 years of experience in planning activities in the tourism sector, preferably working on internationally supported projects. Working knowledge of English. |
| Marketing and Product Development Specialist | The PIU-based Marketing and Product Development Specialist reports to the PIU Tourism Coordinator, planning and implementing product development, marketing, and promotional activities. The Tourism Planner will work closely with the international and national Destination Management Capacity Building Support consultants on (i) tourism product development around project supported destinations and (ii) the conception, development and dissemination of marketing and promotion materials. | At least 5 years of experience in tourism marketing and promotion, with excellent knowledge of English or other foreign languages. Ability to use word processing software, desktop publishing software, and the internet. |
| PIU Infrastructure Team | | |
| Civil Works Coordinator | The PIU-based Civil Works Coordinator works closely with the PIU Manager, overseeing the implementation of all output 1 and 2 civil works, related O&M activities, and compliance with safeguards. The Civil Works Coordinator works closely with the international and national Project Management and Civil Engineering Support consultants and coordinates the inputs of the PIU Engineer, Surveyor and Safeguards Specialist to facilitate detailed design and updating of safeguards documents, obtaining approvals from provincial and local authorities, preparation of bidding documents, supervision of the civil works contracts, adherence to environmental and social safeguard documents and preparation and implementation of O&M plans. | A mid-level government official with at least 5 years of experience managing internationally financed projects. Bachelor's degree in engineering and good command of spoken and written English. |
| Engineer | The PIU-based Engineer reports to the PIU Civil Works Coordinator for collaborating with international and national Project Management and Civil Engineering Support consultants on (i) the detailed design of civil works subprojects, including identifying engineering requirements, developing design standards and preparation of cost estimates, (ii) preparation of bidding documents, including inputs in the specifications and bills of quantities, as required, (iii) routine compliance supervision during construction and (iv) preparation of O&M plans. | Bachelor's degree in engineering and at least 5 years relevant work experience. Working knowledge of English. |
| Surveyor | The PIU-based Surveyor reports to the PIU Civil Works Coordinator, assisting international and national Project Management and Civil Engineering Support consultants carry out all necessary surveys required for the preparation of detailed design of civil works. | At least 5 years relevant work experience as surveyor, preferably on internationally supported projects. Working knowledge of English. |

| Position | Job Description | Requirements |
|------------------------------|---|--|
| Safeguards Specialist | The PIU-based Safeguards Specialist reports to the PIU Civil Works Coordinator, ensuring implementation and monitoring of social and environmental safeguards in accordance with the agreed resettlement plans. The Safeguards Specialist works closely with the international and national Project Management and Civil Engineering Support consultants on institutional strengthening and capacity building, updating provincial IEEs/EMPs and RP and preparing quarterly reports on safeguards compliance. | A degree in social science and at least 5 years work experience in social development, preferably on internationally supported projects. Good command of spoken and written English. |

ADB = Asian Development Bank; DOT = Department of Tourism; DMO = destination management organization; DMP = destination development plan; EMP = environmental management plan; GAP = gender action plan; IEE = initial environmental examination; MEF = Ministry of Economy and Finance; MOT = Ministry of Tourism; MPWT = Ministry of Public Works and Transport; O&M = operations and maintenance; RP = resettlement plan; PCU = project coordination unit; PIU = project implementation unit.

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Tourism (MOT)

H.E. Tith Chantha
Secretary of State
Ministry of Tourism
+855 23 884 993
chanthatith63@gmail.com

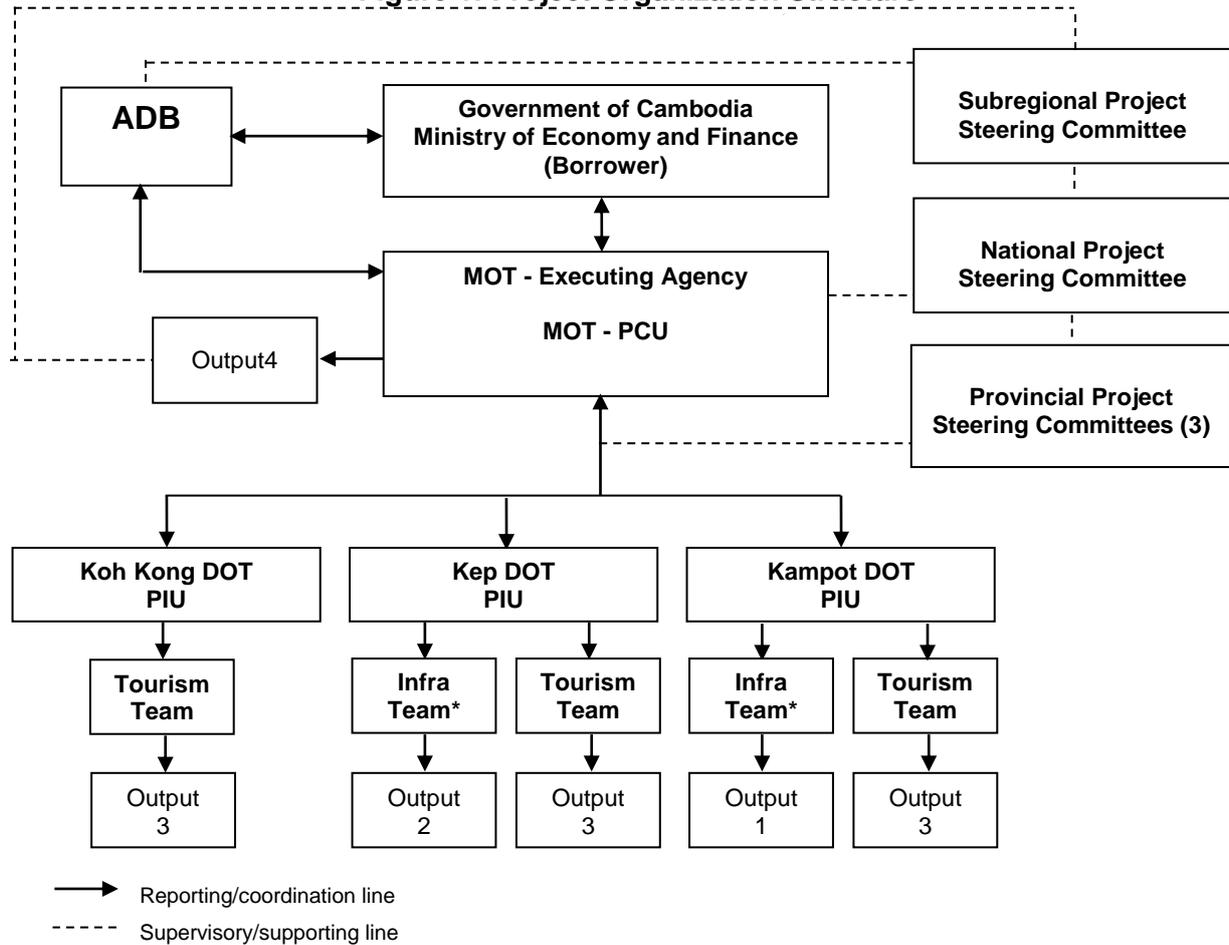
Asian Development Bank

Mission Leader

Mr. Steven Schipani
Senior Portfolio Management Specialist
+856 21 250 444
sschipani@adb.org

C. Project Organization Structure

Figure 1: Project Organization Structure



^a The Ministry of Economy and Finance and Ministry of Public Works and Transport will each appoint a coordinator to the PCU and sit on the National Project Steering Committee. .

^b Infrastructure team members are seconded from the DPWT.

ADB = Asian Development Bank; DOT= Department of Tourism; Infra = infrastructure; MOT = Ministry of Tourism; PCU = project coordination unit; PIU = project implementation unit.

IV. COSTS AND FINANCING

57. The project is estimated to cost \$18.77 million (Table 7).

Table 7: Project Investment Plan (\$ million)

| Item | Amount |
|---|--------------|
| A Base Cost | |
| Output 1: Last Mile Tourism Access Infrastructure Improved | |
| 1.1 Kampot Pier Development | 9.62 |
| Output 2: Environmental Services in Cross Border Tourism Destinations Improved | |
| 2.1 Kep Crab Market Environmental Improvements | 1.33 |
| Output 3: Institutional Capacity to Promote Inclusive Tourism Growth Strengthened | 1.26 |
| Output 4: Effective Project Implementation and Knowledge Management | 3.81 |
| Subtotal (A) | 16.02 |
| B Contingencies | 2.35 |
| C Finance Charges During Implementation | 0.39 |
| Total (A+B+C) | 18.77 |

^a Includes taxes and duties of \$1.44 million to be financed from ADB loan resources.

^b In mid-2014 prices.

^c Physical contingencies computed at 10% for civil works, equipment, consulting services and training and capacity building. Price contingencies computed using cost escalation factors of –1.5% to 0.5% progressively for foreign costs and 2.5% to 3.5% for local costs, including provision for potential exchange rate fluctuation assuming purchasing power parity exchange rates.

^d Includes interest charges during implementation for the ADB loan computed at 1% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

58. The government has requested a loan equivalent to SDR12,170,000 from ADB's Special Funds resources to help finance the project. The loan will have a 32-year term, including a grace period of 8 years, an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter, and such other terms and conditions set forth in the draft financing agreement. There are no commitment charges.

59. The financing plan is in Table 8. The project will be financed by ADB through an \$18.0 million equivalent loan. The government's counterpart financing is \$0.77 million equivalent. ADB will finance: (i) consulting services, including taxes; (ii) capitalized finance charges during implementation; (iii) civil works, including taxes and duties; (iv) equipment, including taxes and duties; (v) training and capacity building, including taxes; and (vi) incremental administration/recurrent costs¹⁷ in accordance with MEFs Sub-Decree No. 74 ANK. BK (22 May 2012) on Promulgating the Updated Standard Procedures for Implementing All Externally Financed Projects/Programs.¹⁸ The Borrower will finance: (i) government counterpart staff salaries (in-cash), office space and utility expenses (in-kind); (ii) land acquisition and resettlement (in-cash) and (iii) external auditing services. The Government of Cambodia will make the loan proceeds available to the executing agency, which will be passed on as grants to the participating provinces.

¹⁷ not including resettlement administration.

¹⁸ The ADB loan will finance taxes and duties as requested by the government, as these are within reasonable country thresholds, do not represent and excessive share of project investment, and apply to only ADB-financed expenditures that are relevant to the project's success. ADB will also finance recurrent costs, bank charges, transportation and insurance to facilitate project implementation.

Table 8: Financing Plan

| Source | Amount (\$ million) | Share of Total (%) |
|--|---------------------|--------------------|
| Asian Development Bank (loan) ^a | 18.00 | 95.9 |
| Government | 0.77 | 4.1 |
| Total | 18.77 | 100.0 |

^a Asian Development Fund

Sources: Asian Development Bank and the Executing Agency.

A. Detailed Cost Estimates by Expenditure Category

Table 9: Detailed Cost Estimates by Expenditure Category

| Item | Foreign Exchange | Local Currency | Total Cost | % of Total Base Cost |
|--|------------------|----------------|--------------|----------------------|
| A Investment Cost^a | | | | |
| 1 Civil Works | 7.52 | 2.75 | 10.27 | 64.1% |
| 2 Equipment | 0.26 | 0.79 | 1.06 | 6.6% |
| 3 Resettlement | - | 0.01 | 0.01 | 0.1% |
| 4 Consulting Services | 1.12 | 0.49 | 1.61 | 10.1% |
| 5 Capacity Building and Training | 0.08 | 1.55 | 1.63 | 10.2% |
| Subtotal (A) | 8.98 | 5.59 | 14.58 | 91.0% |
| B Recurrent Cost^a | | | | |
| 1 PCU and PIU Staff cost | - | 0.45 | 0.45 | 2.8% |
| a. In-kind counterparts ^b | - | 0.29 | 0.29 | 1.8% |
| b. External staff | - | 0.16 | 0.16 | 1.0% |
| 2 PCU and PIU Operations | 0.04 | 0.91 | 0.95 | 5.9% |
| a. In-kind counterpart facilities ^b | - | 0.42 | 0.42 | 2.6% |
| b. Other recurrent operations | 0.04 | 0.49 | 0.53 | 3.3% |
| 3 In-kind external audits ^b | - | 0.05 | 0.05 | 0.3% |
| Subtotal (B) | 0.04 | 1.41 | 1.44 | 9.0% |
| Total Base Cost (A+B) | 9.02 | 7.00 | 16.02 | 100.0% |
| C Contingencies | | | | |
| 1 Physical ^c | 0.90 | 0.56 | 1.46 | 9.1% |
| 2 Price ^d | 0.07 | 0.83 | 0.90 | 5.6% |
| Subtotal (C) | 0.97 | 1.39 | 2.35 | 14.7% |
| D Financing Charges During Implementation | | | | |
| 1 Interest During Implementation ^e | 0.39 | - | 0.39 | 2.5% |
| Subtotal (D) | 0.39 | - | 0.39 | 2.5% |
| Total Project Cost (A+B+C+D) | 10.38 | 8.39 | 18.77 | |

^a In mid-2014 prices. Exchange rate is \$1: Riel 4,000. Inclusive of taxes and duties.

^b In-kind Government contributions quantified based on past expenditure and market rates.

^c Physical contingencies computed at 10% on base costs for civil works, equipment, consulting services and training and capacity building.

^d Price contingencies computed on the basis of foreign exchange costs and local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^e Interest during implementation on the ADB loan computed at 1% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

B. Allocation and Withdrawal of Loan Proceeds

Table 10: Allocation and Withdrawal of Loan Proceeds

| No. | Item | Total Amount Allocated for ADB Financing (SDR) | Percentage and Basis for Withdrawal from the Loan Account |
|--------------|--------------------------------|---|---|
| 1 | Civil Works | 6,944,000 | 100% of total expenditure claimed |
| 2 | Equipment | 713,000 | 100% of total expenditure claimed |
| 3 | Consulting Services | 1,091,000 | 100% of total expenditure claimed |
| 4 | Capacity Building and Training | 1,100,000 | 100% of total expenditure claimed |
| 5 | Recurrent Costs* | 465,000 | 100% of total expenditure claimed |
| 6 | Interest During Implementation | 266,000 | 100% of total amount due |
| 7 | Unallocated | 1,591,000 | |
| Total | | 12,170,000 | |

*Exclusive of salary supplements for staff

C. Detailed Cost Estimates by Financier

Table 11: Detailed Cost Estimates by Financier (\$ million)

| Item | Amount | ADB Loan | | | Government of Cambodia | | | | Total Cost |
|--|--------------|-------------------------|----------------|--------------------|------------------------|-------------------------|----------------|--------------------|---------------|
| | | Amount (Tax and Duties) | Amount (Total) | % of Cost Category | Amount | Amount (Tax and Duties) | Amount (Total) | % of Cost Category | |
| A Investment Cost^a | | | | | | | | | |
| 1 Civil Works | 9.34 | 0.93 | 10.27 | 100.0% | - | - | - | 0.0% | 10.27 |
| 2 Equipment | 0.96 | 0.10 | 1.06 | 100.0% | - | - | - | 0.0% | 1.06 |
| 3 Resettlement | - | - | - | 0.0% | 0.01 | - | 0.01 | 100.0% | 0.01 |
| 4 Consulting Services | 1.41 | 0.20 | 1.61 | 100.0% | - | - | - | 0.0% | 1.61 |
| 5 Capacity Building and Training | 1.48 | 0.15 | 1.63 | 100.0% | - | - | - | 0.0% | 1.63 |
| Subtotal (A) | 13.19 | 1.38 | 14.57 | 99.9% | 0.01 | - | 0.01 | 0.1% | 14.58 |
| B Recurrent Cost^a | - | - | - | - | - | - | - | - | - |
| 1 PCU and PIU Staff cost | 0.14 | 0.01 | 0.16 | 35.7% | 0.29 | - | 0.29 | 64.3% | 0.45 |
| a. In-kind counterparts ^b | - | - | - | 0.0% | 0.29 | - | 0.29 | 100.0% | 0.29 |
| b. External staff | 0.14 | 0.01 | 0.16 | 100.0% | - | - | - | 0.0% | 0.16 |
| 2 PCU and PIU Operations | 0.48 | 0.05 | 0.53 | 55.7% | 0.42 | - | 0.42 | 44.3% | 0.95 |
| a. In-kind counterpart facilities ^b | - | - | - | 0.0% | 0.42 | - | 0.42 | 100.0% | 0.42 |
| b. Other recurrent operations | 0.48 | 0.05 | 0.53 | 100.0% | - | - | - | 0.0% | 0.53 |
| 3 In-kind external audits ^b | - | - | - | 0.0% | 0.05 | - | 0.05 | 100.0% | 0.05 |
| Subtotal (B) | 0.62 | 0.06 | 0.69 | 47.6% | 0.76 | - | 0.76 | 52.4% | 1.44 |
| Total Base Cost (A+B) | 13.81 | 1.44 | 15.25 | 95.2% | 0.77 | - | 0.77 | 4.8% | 16.02 |
| C Contingencies^c | 2.35 | - | 2.35 | 100.0% | - | - | - | 0.0% | 2.35 |
| D Financing Charges During Implementation^d | 0.39 | - | 0.39 | 100.0% | - | - | - | 0.0% | 0.39 |
| Total Project Cost (A+B+C+D) | 16.56 | 1.44 | 18.00 | | 0.77 | - | 0.77 | | 18.77 |
| % Total Project Cost | | | 95.9% | | | | 4.1% | | 100.0% |

^a In mid-2014 prices. Exchange rate is \$1: Riel 4,000.

^b In-kind contributions quantified based on past expenditure and market rates.

^c Physical contingencies computed at 10% on base costs for civil works, equipment, consulting services and training and capacity building. Price contingencies computed on the basis of foreign exchange costs and local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Interest during implementation on the ADB loan computed at 1% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Outputs/Components

Table 12: Detailed Cost Estimates by Outputs (\$ million)

| Items | Total Cost | Output 1 | | Output 2 | | Output 3 | | Output 4 | |
|--|--------------|--------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|
| | | Amount | % of Cost Category | Amount | % of Cost Category | Amount | % of Cost Category | Amount | % of Cost Category |
| A Investment Cost^a | | | | | | | | | |
| 1 Civil Works | 10.27 | 9.30 | 90.5% | 0.97 | 9.5% | - | 0.0% | - | 0.0% |
| 2 Equipment | 1.06 | 0.32 | 30.5% | 0.35 | 33.2% | 0.14 | 13.6% | 0.24 | 22.7% |
| 3 Resettlement | 0.01 | - | 0.0% | 0.01 | 100.0% | - | 0.0% | - | 0.0% |
| 4 Consulting Services | 1.61 | - | 0.0% | - | 0.0% | - | 0.0% | 1.61 | 100.0% |
| 5 Capacity Building and Training | 1.63 | - | 0.0% | - | 0.0% | 1.11 | 68.4% | 0.51 | 31.6% |
| Subtotal (A) | 14.58 | 9.62 | 66.0% | 1.33 | 9.1% | 1.26 | 8.6% | 2.37 | 16.2% |
| B Recurrent Cost^a | | | | | | | | | |
| 1 PCU and PIU Staff cost | 0.45 | - | 0.0% | - | 0.0% | - | 0.0% | 0.45 | 100.0% |
| a. In-kind counterparts ^b | 0.29 | - | 0.0% | - | 0.0% | - | 0.0% | 0.29 | 100.0% |
| b. External staff | 0.16 | - | 0.0% | - | 0.0% | - | 0.0% | 0.16 | 100.0% |
| 2 PCU and PIU Operations | 0.95 | - | 0.0% | - | 0.0% | - | 0.0% | 0.95 | 100.0% |
| a. In-kind counterpart facilities ^b | 0.42 | - | 0.0% | - | 0.0% | - | 0.0% | 0.42 | 100.0% |
| b. Other recurrent operations | 0.53 | - | 0.0% | - | 0.0% | - | 0.0% | 0.53 | 100.0% |
| 3 In-kind external audits ^b | 0.05 | - | 0.0% | - | 0.0% | - | 0.0% | 0.05 | 100.0% |
| Subtotal (B) | 1.44 | - | 0.0% | - | 0.0% | - | 0.0% | 1.44 | 100.0% |
| Total Base Cost (A+B) | 16.02 | 9.62 | 60.0% | 1.33 | 8.3% | 1.26 | 7.8% | 3.81 | 23.8% |
| C Contingencies | | | | | | | | | |
| 1 Physical ^c | 1.46 | 0.96 | 66.0% | 0.13 | 9.1% | 0.13 | 8.6% | 0.24 | 16.3% |
| 2 Price ^d | 0.90 | 0.33 | 36.3% | 0.17 | 19.2% | 0.14 | 15.2% | 0.26 | 29.3% |
| Subtotal (C) | 2.35 | 1.29 | 54.7% | 0.30 | 12.9% | 0.26 | 11.2% | 0.50 | 21.2% |
| D Financing Charges During Implementation | | | | | | | | | |
| 1 Interest During Implementation ^e | 0.39 | 0.22 | 55.6% | 0.03 | 7.5% | 0.03 | 8.6% | 0.11 | 28.3% |
| Subtotal (D) | 0.39 | 0.22 | 55.6% | 0.03 | 7.5% | 0.03 | 8.6% | 0.11 | 28.3% |
| Total Project Cost (A+B+C+D) | 18.77 | 11.13 | 59.3% | 1.67 | 8.9% | 1.55 | 8.3% | 4.42 | 23.6% |

^a In mid-2014 prices. Exchange rate is \$1: Riel 4,000. Inclusive of taxes and duties.

^b In-kind contributions quantified based on past expenditure and market rates.

^c Physical contingencies computed at 10% on base costs for civil works, equipment, consulting services and training and capacity building.

^d Price contingencies computed on the basis of foreign exchange costs and local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^e Interest during implementation on the ADB loan computed at 1% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

E. Detailed Cost Estimates by Year

Table 13: Detailed Cost Estimates by Year (\$ million)

| | Total Cost | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|---------------|-------------|-------------|--------------|--------------|-------------|
| A Investment Cost^a | | | | | | |
| 1 Civil Works | 10.27 | - | - | 6.16 | 3.59 | 0.51 |
| 2 Equipment | 1.06 | 0.26 | 0.04 | 0.10 | 0.64 | 0.02 |
| 3 Resettlement | 0.01 | - | 0.01 | - | - | - |
| 4 Consulting Services | 1.61 | 0.40 | 0.43 | 0.36 | 0.28 | 0.15 |
| 5 Capacity Building and Training | 1.63 | 0.16 | 0.40 | 0.42 | 0.41 | 0.24 |
| 0 Subtotal (A) | 14.58 | 0.81 | 0.88 | 7.04 | 4.92 | 0.92 |
| B Recurrent Cost^a | | | | | | |
| 1 PCU and PIU Staff cost | 0.45 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 |
| a. In-kind counterparts ^b | 0.25 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| b. External staff | 0.13 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| 2 PCU and PIU Operations | 0.95 | 0.19 | 0.19 | 0.19 | 0.19 | 0.19 |
| a. In-kind counterpart facilities ^b | 0.42 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |
| b. Other recurrent operations | 0.53 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 |
| 3 In-kind external audits ^b | 0.05 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Subtotal (B) | 1.44 | 0.29 | 0.29 | 0.29 | 0.29 | 0.29 |
| Total Base Cost (A+B) | 16.02 | 1.10 | 1.17 | 7.33 | 5.21 | 1.21 |
| C Contingencies^c | 2.35 | 0.11 | 0.15 | 1.01 | 0.85 | 0.24 |
| D Financing Charges During Implementation^d | 0.39 | 0.01 | 0.02 | 0.09 | 0.13 | 0.14 |
| Total Project Cost (A+B+C+D) | 18.77 | 1.22 | 1.34 | 8.43 | 6.20 | 1.59 |
| % Total Project Cost | 100.0% | 6.5% | 7.1% | 44.9% | 33.0% | 8.5% |

^a In mid-2014 prices. Exchange rate is \$1: Riel 4,000.

^b In-kind contributions quantified based on past expenditure and market rates.

^c Physical contingencies computed at 10% on base costs for civil works, equipment, consulting services and training and capacity building. Price contingencies computed on the basis of foreign exchange costs and local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

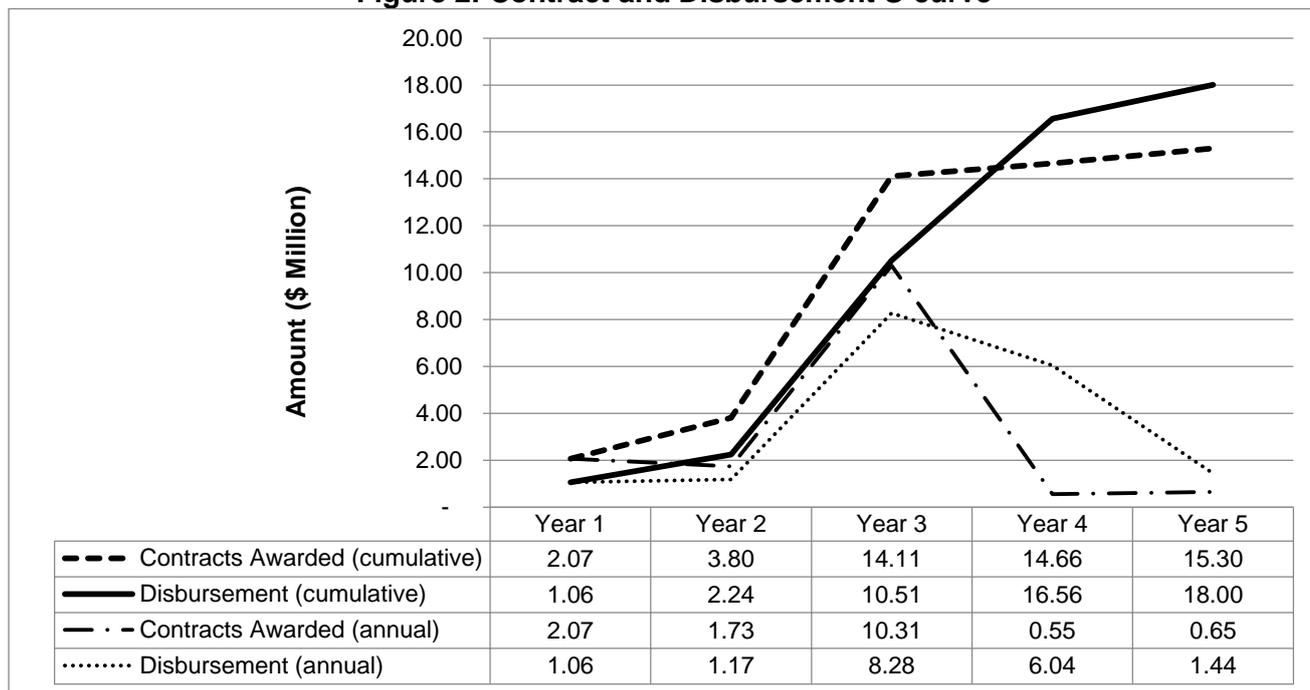
^d Interest during implementation on the ADB loan computed at 1% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

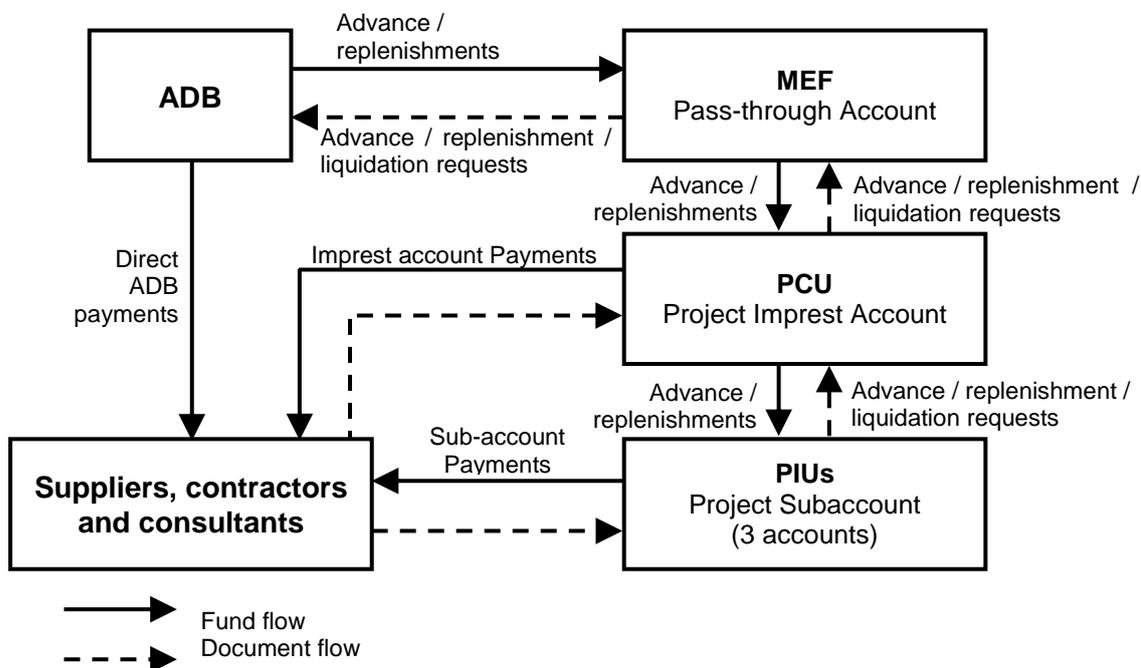
F. Contract and Disbursement S-curve

Figure 2: Contract and Disbursement S-curve



G. Fund Flow Diagram

Figure 3: Project Funds Flow Arrangements



ADB = Asian Development Bank; MEF = Ministry of Economy and Finance; PCU = project coordination unit; PIU = project implementation unit.
 Source: Asian Development Bank and the Executing Agency.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

60. A financial management assessment (FMA) was carried out for the proposed project in accordance with ADB's *Financial Management Guidelines* and *Financial Due Diligence Methodology Note*. The FMA covers the MOT as the EA, in which the PCU will be embedded, and the DOT in each of the participating provinces in which the PIUs will be embedded. The objective of the assessment was to determine whether the entities implementing the project have acceptable financial management arrangements that can comply with ADB project accounting and reporting requirements. The main findings of the assessment are summarized below. Risks and mitigation measures are in Table 14.

61. Country issues. The overall fiduciary risk in Cambodia is considered to be high according to the latest available assessments by ADB and World Bank. In 2012 the government promulgated Sub-Decree No. 74/ANK/BK on *Promulgating the Updated Standard Procedures for Implementing All Externally Financed Projects/Programs*, which comprises: (i) Updated Standard Operating Procedures for All Externally Financed Projects/Programs in Cambodia; (ii) Updated Procurement Manual for All Externally Financed Projects/Programs in Cambodia; and (iii) Updated Financial Management Manual for All Externally Financed Projects/ Programs in Cambodia. The Minister in Charge of the Cabinet of the Council of Ministers, Minister of Economy and Finance (MEF), and Secretaries of State of all concerned Ministries and Institutions are responsible for the implementation of the sub-decree. The MEF is the lead agency in respect to compliance with its provisions and associated regulations, and the use of the manuals is mandatory for all externally financed projects.

62. External oversight of national audits sits with the National Audit Authority (NAA) as stipulated in the Law on Audit for the Kingdom of Cambodia (12 January 2000). The Auditor-General is empowered to conduct audits on accounting records, accounts, management systems, operation controls and programs of government institutions in accordance with generally accepted auditing standards and government auditing standards. This Law also established the internal audit function in government ministries, institutions and public enterprises. For externally financed projects, annual auditing is mandatory as specified in grant and loan agreements. The MEF is responsible for engaging independent audit firms to audit externally funded project accounts.

63. Project specific issues. The MOT has developed solid experience in the implementing of externally financed tourism projects with infrastructure components, including two financed by ADB. Internal controls have been standardized under government laws and MEF regulations, particularly for externally financed projects. ADB financed projects are tightly controlled via funds flow processes and compliance with ADB's financial management procedures is mandatory. For MOTs ongoing project Improving Market Access for the Poor in Central Cambodia Project (Grant 9156-CAM) the PCU has engaged the services of an experienced financial management specialist to build capacity of counterpart staff responsible for financial management. The project has been externally audited for financial years 2011 to 2013, with the auditor reporting that accounting and financial management procedures were acceptable to MEF and compliant with ADB guidelines. Project accounts and related records are kept and maintained by the PCU separately from other on-going projects.

64. The MOT has confirmed that it will utilize and expand this existing PCU and financial management systems for the project, with modification where appropriate. Incumbent staff is qualified to manage international and national competitive bidding for works and goods, recruit consultants in accordance with ADB guidelines, manage the project imprest account,

and maintain financial records in accordance with internationally accepted accounting practices.

65. With risk mitigation measures, the risk level for the project is assessed as moderate. The PCU is familiar with ADB procurement, disbursement, accounting and reporting requirements and has established and maintained financial management arrangements acceptable to ADB in the past. The MOT and DOTs use MS Excel as the basis for their accounting systems. Project accounts and related records will be kept and maintained by the PCU and PIUs separately from other projects. The accounts will be dedicated to the recording of project financial transactions including the allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds. Internal controls will be in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained.

66. Experienced project accountants with specialist knowledge in ADB financial management procedures will be recruited by the PCU to manage and maintain separate project accounts and records. The PCU will train and build financial management capacity of the PIU accountants and harmonize accounting procedures with those of the PCU. An independent external auditor, whose qualifications and experience are acceptable to the MEF and ADB, will audit the EA's project accounts annually.

67. To strengthen PCU and PIU project accounting, disbursement and procurement management capacity, and the use of financial management and accounting software, at project inception key PCU and PIU staff members will attend financial management and procurement training. PCU and PIU staff will also receive support and on the job training from the international and national financial management and procurement consultants. PCU and PIU staff will be invited to attend periodic disbursement and financial management seminars conducted by ADB's Controller's Department.

Table 14: Financial Management Risk Assessment and Mitigation Measures

| Risk Type | Risk Description | Risk* Without Mitigation | Mitigation Measures | Risk* With Mitigation |
|---------------------------|---|--------------------------|--|-----------------------|
| Inherent Risks | | | | |
| 1. Country-specific risks | Financial Management for Externally Financed Projects (FM-EFP) systems, particularly accounting, budget preparation and execution, cash planning and performance measurement. | High | ADB, World Bank and other development partners continue to assist the Government with technical support for implementation of new procurement, financial management and anti-corruption laws, regulations and standard operating procedures. | Moderate |
| | Shortage of skills in financial management, including financial analysis, project management, accounting, financial reporting and audit. | High | On-going and planned efforts by ADB, World Bank and other development partners to support implementation of the new FM-EFP include capacity building for all aspects of the FM-EFP. Project specific interventions include embedding experienced project consultants in PM teams to support capacity building. | Moderate |
| | Malpractice and abuse of FM-EFP rules by employees. | High | The new Law on Public Procurement provides strong penalties for persons found guilty of fraud and corruption; offences which are punishable under the Criminal Code. In addition, independent external auditors, whose | Moderate |

| Risk Type | Risk Description | Risk* Without Mitigation | Mitigation Measures | Risk* With Mitigation |
|------------------------------|--|--------------------------|---|-----------------------|
| | | | qualifications, experience and TORs are acceptable to ADB, in accordance with appropriate auditing standards, will conduct external audit of project and imprest accounts. | |
| 2. Entity-specific risks | MOT as executing agency and DOTs and DPWTs as implementing entities have limited staff capability in financial management, accounting, budgeting, internal controls and financial reporting. | High | The existing PCU for JFPR 9156-CAM will be utilized and expanded for the project. The PCU-based National Project Director and project accounts staff is familiar with ADB disbursements and reporting procedures. The PIU personnel (Project Manager and project accounts staff to be recruited) under the DOT in each participating province will be trained in ADB procurement, disbursement and reporting procedures and project accounting. | Moderate |
| | Government may be unable to meet funding obligations due to budget constraints. | High | Project financing plan will be formulated with minimum government counterpart funding, mainly comprising in-kind contributions. . | Moderate |
| 3. Procurement risks | Procurement capacity is limited with no professional procurement stream within the administration. Inadequate training of staff in the correct procurement procedures. | High | A refresher workshop to explain ADB current procurement guidelines will be required. Project implementation assistance consultants will be recruited to support the PCU and PIU during project implementation. | Moderate |
| | Potential corruption from procurement. | High | Phone number of MEF - ADB Department, Anti-corruption Authority and ADB CARM shall be advertised in the paper periodically for people to make complaints for any suspected cases of corruption and collusion so that the unit can investigate and bring offenders to book upon obtaining evidence of malfeasance. | Moderate |
| Overall Inherent Risk | | High | | Moderate |
| Control Risks | | | | |
| 4. Funds flow | Funds may not reach intended beneficiaries in a timely manner. | Moderate | ADB disbursement arrangements, which have been tested in prior projects and proven successful, will be used. | Low |
| 5. Staffing | Limited capability of staff in financial management, accounting, budgeting, internal controls and financial reporting. | High | Existing PCU staff for JFPR-9156 will be appointed to the project's PCU. The PCU-based National Project Director and project accounts staff is familiar with ADB disbursements and reporting procedures. The PIU personnel (Project Manager and project accounts staff to be recruited) under the DOT in each participating province will be trained in project accounting and current ADB disbursement and reporting procedures. | Moderate |

| Risk Type | Risk Description | Risk* Without Mitigation | Mitigation Measures | Risk* With Mitigation |
|---------------------------------------|--|---------------------------------|--|------------------------------|
| 6. Accounting policies and procedures | Poor systems and procedures in financial management, accounting, budgeting and internal controls. | High | ADB and other development partners have on-going and planned efforts to support implementation of the new FM-EFP reporting systems and procedures. Consultants will assist the EA develop suitable project accounting systems and chart of accounts. | Moderate |
| 7. Internal audit | There is an internal audit function in government entities; however these are not qualified to audit FM-EFP accounts. | High | Independent external auditors, whose qualifications, experience and TOR are acceptable to ADB, in accordance with appropriate auditing standards, will conduct external audit of project and imprest accounts. In addition, on-going and planned efforts by ADB and other development partners to strengthen PFM arrangements include improved internal controls. Capacity building to include MOTs internal audit team. | Moderate |
| 8. External audit | Delay in the completion of project accounts ready for external audit. | Moderate | Qualified project accounts staff shall be recruited by PCU and PIUs exclusively to handle separate accounts and related records for the project to ensure accounts and records are always up-to-date and ready for external audit. Project accounts and related records will be kept and maintained by PCU and PIUs separately from other on-going projects. | Low |
| | Annual audit may not meet ADB requirements. | Moderate | Independent external auditors, whose qualifications, experience and TOR are acceptable to ADB, in accordance with appropriate auditing standards, will conduct external audit. A TOR for the audit, following the ADB template, has been prepared. | Low |
| 9. Reporting and monitoring | Unreliable reports due to errors and limited staff capability in financial reporting. | High | On-going and planned efforts by ADB and other development partners to support the implementation of FM-EFP include improved financial reporting and monitoring of all aspects of sector financial performance. Consultants will assist EA to develop a financial management manual for the project. | Moderate |
| | Progress reports will not be able to link payments with physical works and thus not provide improved control for management. | High | Format for progress report will specify the necessary linkages between financial and physical progress. Physical progress data shall be collected at end of month to reduce the risk that the physical data may not synchronize with the month-end financial data. | Moderate |
| 10. Information systems | Accounting software (MS Excel) is in use, but not being utilized to its full capacity. | High | Training and capacity building will be continued to strengthen the technical capacity of the staff and to increase their knowledge and utilization of MS Excel or other acceptable accounting software | Moderate |

| Risk Type | Risk Description | Risk* Without Mitigation | Mitigation Measures | Risk* With Mitigation |
|---------------------|------------------|--------------------------|--------------------------|-----------------------|
| | | | procured by the project. | |
| Overall Risk | | High | | Moderate |

*Degrees of Risk Rating: High, Substantial, Moderate, Low

ADB = Asian Development Bank; DOT = Department of Tourism; DPWT = Department of Public Works and Transport; EA = executing agency; FM-EFP = financial management for externally financed projects; JFPR = Japan Fund for Poverty Reduction; MEF = Ministry of Economy and Finance; MOT = Ministry of Tourism; MPWT = Ministry of Public Works and Transport; PCU = project coordination unit; PIU = project implementation unit; TOR = terms of reference.

Source: Asian Development bank and the Ministry of Tourism.

68. The following action plan (
69. Table 15) for project financial management will guide implementation of the above risk mitigation measures.

Table 15: Project Financial Management Action Plan

| Planned Action | Output | Responsible Party | Due Date |
|--|--|---|--|
| PCU and PIU financial management teams established. | <ul style="list-style-type: none"> As outlined in the PAM PCU Financial Controller and PCU and PIU Directors and Managers appointed and PCU and PIU accounting and finance staff recruited. | EA and DOTs | Prior to ADB Board Approval of project |
| National and Provincial Project Steering Committees established and operational. | <ul style="list-style-type: none"> As outlined in the PAM Steering committee will provide oversight on financial matters during implementation. | EA and Provinces | Prior to ADB Board Approval of project |
| Project funds flow arrangements adopted & operational. | <ul style="list-style-type: none"> As outlined in the PAM Concerned MEF, EA, PCU, and PIU staff briefed, imprest account opened, and project sub-accounts established. | MEF, EA, PCU, and PIUs assisted by international and national financial management & procurement specialists (individual consultants) | Prior to first disbursement. |
| PCU and PIU financial management capacity built and systems operational. | <ul style="list-style-type: none"> Financial management and procurement support consultants mobilized; project accounting and financial reporting systems established; PCU and PIUs attend training on project accounting and preparation of financial statements in accordance with International Financial Reporting Standards. Capacity building to include MOTs internal audit team. The PCU management will receive training in reading and responding to management letters prepared by external auditors. Project disbursement arrangements and procedures established and staff trained in their operation. | EA, assisted by the consultants | Within six months of project effectiveness |
| PCU and PIU staff attend disbursement seminar. | <ul style="list-style-type: none"> At least 1 staff members from the PCU and each PIU attends ADB's in-country disbursement seminar. | | Within one year of project effectiveness |

| Planned Action | Output | Responsible Party | Due Date |
|--|--|-------------------|--|
| Publicizing grievance redress mechanism. | <ul style="list-style-type: none"> Grievance redress mechanism including contact information to report suspected procurement related cases of corruption and collusion established and publicized on project website. Phone number of MEF - ADB Department, Anti-corruption Authority and ADB CARM periodically advertised in the paper. | EA | Within six months of project effectiveness |

ADB = Asian Development Bank; DOT = Department of Tourism; EA = executing agency; MEF = Ministry of Economy and Finance; PCU = project coordination unit; PIU = project implementation unit.

Source: Asian Development bank and the Ministry of Tourism.

B. Disbursement

70. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),¹⁹ and detailed arrangements agreed upon between the Government and ADB.

71. The Government will, immediately upon project effectiveness, establish a pass-through account at the Ministry of Economy and Finance (MEF) in US Dollars for the ADB loan. The PCU will establish an imprest account in US Dollars for the ADB loan at a commercial bank designated by the National Bank of Cambodia; and will be responsible for establishing, managing, replenishing, and liquidating this account. The maximum ceiling of the imprest account is 10% of the loan amount.

72. The PCU 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 the MEF for onward submission to ADB. The PCU will also be responsible for checking and signing off on all disbursement documents prior to submission to MEF. The PIUs will set up three project sub-accounts for the ADB loan with a commercial bank(s) designated by the National Bank Cambodia. Liquidation of the sub-accounts will be subject to submission of full documentation to the PCU. The pass-through account, imprest account and sub-accounts will be established and maintained for the loan proceeds only and managed, replenished and liquidated in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),²⁰ and other detailed arrangements agreed upon between the Borrower and ADB. The imprest and sub-accounts are to be used exclusively for share of eligible expenditures. The EA who established the imprest account in its name is accountable and responsible for proper use of advances to the imprest account, including advances to the sub-accounts.

73. The EA may request for initial advance to the imprest account based on an Estimate of Expenditure Sheet²¹ setting out the estimated expenditures for the forthcoming six (6) months. Supporting documents should be submitted to ADB or retained by the EA in accordance with ADB's *Loan Disbursement Handbook* when liquidating or replenishing the imprest account.

74. ADB's statement of expenditure (SOE) procedures may be used for reimbursing eligible expenditures and liquidating of advances to the imprest account. The maximum payment for any individual item using these procedures is \$100,000 equivalent per individual payment. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting

¹⁹ Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

²⁰ Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

²¹ Available in Appendix 10B of the *Loan Disbursement Handbook*.

documents on a sampling basis, and for independent audit.²² Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

75. Before the submission of the first withdrawal application, the MEF should submit to ADB sufficient evidence of the authority of the person(s) 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 \$100,000 equivalent unless otherwise approved by ADB. Individual payments below this amount should generally be paid from the imprest/sub-account, or by the EA/IA and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept WAs below the minimum amount.

76. Three items are to be financed from Government counterpart funds: (i) government counterpart staff salaries (in-kind), (ii) office space and utilities (in-kind); and (iii) land acquisition and resettlement (in-cash).

C. Accounting

77. The MOT, PCU and PIUs will maintain separate project accounts and records by funding source for all expenditures incurred on the project. Project accounts will follow international accounting principles and practices.

78. The project will provide training on the use of the imprest fund and sub-accounts and operating support to PCUs and PIUs accounting staff.

D. Auditing and Public Disclosure

79. The Government will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing and with the Government's audit regulations, by an independent auditor acceptable to ADB. The annual audit report for the project accounts will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the MOT. The annual audit report will include an audit management letter and audit opinions which cover (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 and grant 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) use of the imprest fund procedure; and (v) the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under SOE procedures, and proper use of the SOE and imprest procedures in accordance with ADB's Loan Disbursement Handbook and the project documents.

80. 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.

81. The Government, MOT and DOTs have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.²³ ADB reserves the right to require a change in the

²² Following the format provided in Appendix 9B of the *Loan Disbursement Handbook*.

²³ ADB Policy on 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

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.

82. 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)²⁴. 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.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

83. Any advance contracting will be undertaken in conformity with ADB's *Procurement Guidelines* (2013, as amended from time to time)²⁵ and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).²⁶ The issuance of invitations to bid under advance contracting will be subject to ADB approval. The borrower, the EA and the IAs have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

84. To accelerate project implementation, advance actions for consulting services will be used. Retroactive financing will not be used. Prior to the start of loan negotiations, the EA will launch the recruitment process for project consultants (both the firm and individual consultants) up to the stage of ADB's approval of the first ranked firm. The EA will start contract negotiations with the first-ranked firm once ADB's Board of Directors approves the project and when financing agreement effectivity is imminent. The contract will not be signed until the financing agreement becomes effective.

B. Procurement of Goods, Works and Consulting Services

85. An assessment of the executing and implementing agencies' capacity to undertake procurement and financial management envisaged under the project, including the use of statement of expenditure and imprest fund procedure, determined pre-mitigation financial management risks are high. Measures to mitigate risks identified such as the potential for corruption from weak procurement oversight and the shortage of financial management skills will be addressed by applying standard ADB bidding documents, development of suitable accounting systems and a financial management training manual, and embedding long-term consultants in the PCU and PIUs to provide on-the-job training for project staff and counterparts. Compliance with ADB's financial management and external audit requirements will be monitored by review missions and normal project supervision. The project will follow

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.

²⁴ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

²⁵ Available at <http://www.adb.org/documents/procurement-guidelines>

²⁶ Available at <http://www.adb.org/documents/guidelines-use-consultants-asian-development-bank-and-its-borrowers>

Cambodia's established procurement Law and regulatory frameworks. These include the *Law on Public Procurement No. NS/RKM/0112/004* (LPP) promulgated on 3 January 2012. The Law provides Cambodia's procurement environment with a clear legal and regulatory hierarchy, which by regional standards is well developed. The Law became effective on 14 January 2012. It is implemented through Sub Decree No. 14/ANK/BK on the *Procurement Manual for Externally Financed Projects/Programs in Cambodia*, promulgated on 26 February 2007 (SD-PM-EFP-I). This primarily guides ADB-financed projects. Sub Decree No. 74/ANK/BK *Standard Procedures for External Financed Projects/Programs in Cambodia* (SD-SP-EFP-II) was promulgated on 22 May 2012. The legislation has been further developed to harmonize with ADB procurement procedures and provides for separate provision for the procurement of works, goods and consulting services.

86. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines* (2013, as amended from time to time).²⁷ Civil works valued at \$1 million or above and goods valued at \$500,000 or above will be procured through international competitive bidding (ICB) procedures. National competitive bidding (NCB) will be used to procure packages valued less than those ICB thresholds, and shopping procedures will be used for packages equivalent to \$100,000 and below. NCB will follow the national procurement regulations as set out in the NCB Annex of the Procurement Plan (Annex B) as required for consistency with the ADB Procurement Guidelines.

87. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).²⁸ The Project Management and Civil Engineering Support Consulting firm will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 80:20. Individual consultants will be recruited on the basis of their qualifications for the assignment. Recruitment of individual consultants for tourism capacity building and financial management and procurement will help enable rapid project start-up, and reduce the cost of consulting services without compromising quality. The executing agency has successfully recruited many qualified individual tourism consultants in the past, with good results.

C. Procurement Plan

88. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Appendix B. The procurement plan covers the first 18 months of procurement. The procurement plan shall be updated annually. It may be revised, as required, following a project review mission. In case procurement arrangements need to be changed during implementation, the EA and IAs shall prepare a letter justifying the change with the updated procurement plan and submit the documents for ADB approval. The change in procurement arrangements shall be done in consultation with ADB. ADB will be responsible for posting the initial procurement plan and subsequent updates on ADB website.

D. Consultant's Terms of Reference

89. The outline terms of reference for all consultants is in Annex C.

90. The total consulting service requirements are an estimated 232 person-months (55 person-month international and 177 person-months national) and include (i) Project Management and Civil Engineering Support; (ii) Destination Management Capacity Building Support; and (iii) Financial Management & Procurement Support.

²⁷ Available at <http://www.adb.org/documents/procurement-guidelines>

²⁸ Available at <http://www.adb.org/documents/guidelines-use-consultants-asian-development-bank-and-its-borrowers>

91. Project Management and Civil Engineering Support. This consulting services package will include an estimated 115 person-months (25 person-month international and 90 person-months national) to (i) assist the PCU and PIUs with detailed design and tendering and supervision of civil works; (ii) assist with social and environmental safeguards monitoring and compliance; and (iii) provide project management and administrative support to the PCU and PIUs. The consultants will be recruited through a firm using the quality- and cost-based selection (QCBS) method with standard quality-cost ration of 80:20. The contract for this package will include provisional sums for technical surveys needed for detailed design.

92. Destination Management Capacity Building Support. Consultants will be recruited as individuals, on the basis of their qualifications for the assignment. This package comprises an estimated 84 person-months (30 person-month international and 54 person-months national) to assist the PCU and PIUs with the implementation of institutional capacity building activities related to destination development and management included in Output 3, and the subregional activities included in Output 4.

93. Financial Management & Procurement Support. Consultants will be recruited as individuals on the basis of their qualification for the assignment. This package comprises an estimated 33 national person-months to assist the PCU and PIUs establish the project's financial management systems, provide financial management/procurement training, and support start-up activities related to consultant recruitment and first-year procurement. The National Financial Management and Procurement Specialists will continue to support the EA, PCU and PIUs with procurement and financial management related matters throughout project implementation.

VII. SAFEGUARDS

94. Pursuant to ADB's Safeguard Policy Statement (SPS) 2009, ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

95. All safeguards documents have been prepared in accordance with ADB's *Safeguards Policy Statement* (SPS, 2009).²⁹ In compliance with ADB's information disclosure and consultation requirements, the safeguard documents will be posted on ADB's website. The safeguard categorization for environment and involuntary resettlement is B. The safeguard categorization for indigenous peoples is C.

96. Relevant safeguard documents include: (i) the initial environmental examination (IEE), and environmental management plans (EMP) for the two infrastructure subprojects: Kampot Pier Development and Kep Crab Market Environmental Improvements; and (ii) a resettlement plan (RP) covering the Kep Crab Market Environmental Improvements subproject. Refer to the respective safeguard action plans in the IEE/EMPs and RP for detailed implementation guidance.

A. Environmental Safeguards

97. An IEE has been prepared to identify the potential environmental impacts and required mitigation measures for subprojects of outputs 1 and 2. The required mitigation measures along with the required environmental monitoring of subproject implementation are developed into mitigation and monitoring plans of the two EMPs. The IEE and EMPs address the three stages of subproject implementation defined by pre-construction, construction and operation phases. The potential environmental impacts are primarily

²⁹ Available at: <http://www.adb.org/documents/safeguard-policy-statement>

construction-phase related, which can be mitigated and managed, and are not expected to be irreversible, diverse or unprecedented. Expected impacts and risks are site-specific and appropriate mitigating measures have been incorporated into the EMPs for each infrastructure subproject. Mitigation measures for works in the Teuk Chu estuary were designed in accordance with international good practice and applicable national laws and regulations.

98. The IEE and EMPs have been prepared in consultation with local communities and provincial stakeholders in accordance with ADB SPS and the Government of Cambodia's laws and regulations. The draft IEE and EMPs will be disclosed on the ADB website prior to ADB staff review meeting and the approved version upon ADB Board approval of the project. The IEE and EMPs, to be updated during implementation, will guide detailed civil works design, construction supervision, and O&M of project facilities. EMPs will form part of bidding documents. Prior to awarding of any civil works contract the government will reassess the potential impacts on environmental receptors and ensure appropriate mitigation measures are in place. A grievance redress mechanism and monitoring requirements are specified in the IEE/EMPs.

99. The MOT as the EA, with support from the PCU Safeguards Coordinator, is responsible for ensuring that the project is implemented in accordance with the Government of Cambodia's laws and regulations and the ADB SPS. The provincial PIUs with support from the DOTs will ensure compliance of project activities with ADB SPS and Government laws and regulations.

100. The assigned safeguards specialist in each PIU will coordinate timely disclosure of safeguard documents and will oversee and monitor the implementation of the EMPs and other safeguard documents. The Project Management and Civil Engineering Support consultants will have international and national environment specialists to provide technical advice, guidance, and support and on-the-job training for the PIUs, particularly the safeguards specialist, in environmental management during project implementation. They will also coordinate cross-sectoral training to ensure effective implementation of EMPs. The PCU will be responsible for overall project coordination and policy guidance. It will be responsible for deciding on environmental management matters that will require provincial action. It will ensure adequate resources are allocated and are timely disbursed to process the necessary environmental assessment activities.

101. Resources to assist the government update the IEE/EMPs and augment the PCU and PIU's capacity to undertake environmental monitoring are included in the project costs. The estimated budgets for the implementation of the EMPs are \$103,000 for the Kampot Pier Development and \$83,200 for the Kep Crab Market Environmental Improvements, to cover implementation of mitigation and monitoring plans and capacity development of the respective PIUs.

B. Social and Resettlement Safeguards

1. Involuntary Resettlement

102. The safeguard category for involuntary resettlement is B. A resettlement plan (RP) for the Kep Crab Market Environmental Improvements subproject has been prepared in accordance with ADB SPS and the Government of Cambodia laws and regulations to guide the known land acquisition and resettlement (LAR) impacts of the project. The RP will be updated during project implementation. The subproject will result in 33 restaurants at the Kep Crab Market incurring minor impacts as a result of a period of closure during the connection of their septic tank to the wastewater treatment system installed by the project.

The RP has a resettlement budget covering the direct compensation costs, implementation costs, and contingencies.

103. Project information was disclosed to all affected persons during project preparation. A project information booklet in Khmer language will be updated and distributed during implementation. The draft RP will be disclosed on ADB website before the staff review meeting, and the updated RP will be disclosed following detailed design. The PCU will work in close collaboration with provincial resettlement subcommittees. The consultant team includes an international and a national resettlement specialist who will support the PCU designated resettlement officer. A grievance redress mechanism will be established and accessible to all affected persons and households without cost and retribution.

104. The estimated total cost of resettlement is \$11,000 and will be financed by the Government. The budget will be updated at the time of the DMS.

2. Indigenous Peoples

105. The proposed project is not expected to have impacts on indigenous peoples. The safeguard category for indigenous peoples is C in accordance with ADB SPS. An Indigenous Peoples Plan was therefore not prepared.

VIII. GENDER AND SOCIAL DIMENSIONS

106. During project preparation, a poverty and social assessment was conducted to determine the socioeconomic characteristics of the project area. It included a poverty analysis, a social analysis and a gender analysis, and meaningful consultations with people living in the project areas.

107. A summary poverty reduction and social strategy has been prepared to present project benefits and mitigation measures, to address social impacts and enhance distribution of project benefits. Tourism is an expanding economic sector that offers new opportunities for women to establish or expand micro- and small-enterprises that operate in or near the home. Interviews with women and ethnic community members living near project sites confirmed their interest to expand or open tourism-related SMEs. The project will have significant positive social and economic impacts, which will improve livelihood opportunities from tourism for women and men. These benefits are summarized in the summary poverty reduction and social strategy (SPRSS) and gender action plan (GAP).

108. A gender analysis was also conducted during project preparation to help determine the specific gender actions for the project. The project has developed a GAP that includes measures to ensure that women gain from the project benefits and do not experience negative impacts. The measures included in the action plan address both women's practical and strategic interests. GAP actions include (i) promoting participation of women in project management positions, steering committee representation, and in institutional forums established for public-private-civil society collaboration on tourism planning (Destination Management Organizations and Community Tourism Groups); (ii) ensuring consultation with women on the detailed design of infrastructure; (iii) requirements for contractors to hire at least 30% women for unskilled construction jobs, and (iv) providing training to women in handicraft production, tourism-related enterprise development, and hospitality services to ensure they can access employment and income generating opportunities. The potential burden of adding additional workloads for women are addressed by project support to provide time-saving technology/equipment for production activities. Awareness raising programs will support women to recognize and avoid risks associated with human trafficking and child exploitation.

109. The PCU will be responsible for ensuring social and gender actions are implemented and monitored. Responsibilities for implementing actions in the GAP are identified in the document's action plan. A budget of \$52,500 is allocated for GAP implementation, to be financed from the ADB loan. An international and a national gender and social development specialist will be hired to support the implementation of the GAP. The stakeholder and communication strategy describes how various stakeholders will be engaged during project implementation.

Table 16: Gender Action Plan

| Actions | Targets/Indicators | Responsible |
|--|---|---|
| Output 1. Last-mile tourism access infrastructure improved. | | |
| Output 2: Environmental services in cross-border tourism centers improved.^a | | |
| 1.1 For all infrastructure subprojects, PIUs and consultants consult with women and men on detailed designs and inform them about employment opportunities during and after construction. | <ul style="list-style-type: none"> Two public consultations held with the local population and shop owners/mobile vendors at each subproject site. At least 50% of participants in consultation meetings are women. | PCU, PIUs, PDWA and consultants. |
| 1.2 For all infrastructure subprojects, ensure that civil works bidding documents include numerical targets for women's employment. | <ul style="list-style-type: none"> 30% of the unskilled workers hired for construction are local. At least 25% of local unskilled workers are women. | PCU, PIUs and consultants. |
| 1.3 For all infrastructure subprojects, detailed design maximizes fixed and mobile vendor retail space for women and road design includes safety measures. | <ul style="list-style-type: none"> 100% of crab market mobile vendors return to upgraded space after construction. Specific design measures such as wide shoulders and lighting are implemented. | PCU, PIUs, consultants and contractors. |
| Output 3. Institutional capacity to promote inclusive tourism growth strengthened. | | |
| 3.1 Ensure women are appointed in committees and forums for destination management and institutional strengthening; and create enabling conditions for their participation. | <ul style="list-style-type: none"> DMO management committees include 40% women; at least 2 DMOs are led by a woman.^b Women comprise 50% of stakeholders at public-private partnership consultations. | NSC Chair, PDWA, PCU Director and PIU Director. |
| 3.2 Increase women's access to economic opportunities through development of tourism-related micro- and small-enterprises and livelihood activities. | <ul style="list-style-type: none"> 375 micro- and small-enterprises operators (60% of whom are women) gain access to professional tourism-related business support services and microfinance. Women hold at least 25% of newly created jobs at the international passenger pier in Kampot. At least 80% of newly constructed vendor space in project facilities is allocated to women. | PCU and PIUs. |
| 3.3 Training program in hospitality services includes outreach to disadvantaged women. | <ul style="list-style-type: none"> 60% of hospitality service trainees are women. | PCU, PDWA, PIU and consultants. |
| 3.4 Implement safety, health and heritage conservation awareness programs and measures to combat child exploitation and human trafficking in partnership with women business leaders, government departments, law enforcement, DMOs, and tourism businesses. | <ul style="list-style-type: none"> Awareness of measures to protect heritage, improve health and safety, and prevent child exploitation and human trafficking increases among 4,500 people (50% women). At least 50% of participants in health and hygiene/sanitation training are men. | |
| Output 4. Effective project implementation and knowledge management. | | |
| 4.1 Ensure women are represented in the project's National Steering Committee and in PIUs and the PCU. | <ul style="list-style-type: none"> NSC has at least 2 women members. Women hold 25% of management and professional posts in the PCU and PIUs. | NSC Chair, PCU Director, PDWA, and PIU Directors. |
| 4.2 Appoint a representative of the National Steering Committee to oversee | <ul style="list-style-type: none"> Gender Focal Person designated in NSC, PCU and PIU. | NSC Chair, PCU Director, |

| Actions | Targets/Indicators | Responsible |
|---|--|--|
| the project's strategic directions for gender equality; appoint focal persons in the PCU and PIUs to be responsible for gender mainstreaming and GAP implementation | <ul style="list-style-type: none"> • GAP is reviewed, monitored for progress quarterly and follow-up actions agreed annually at NSC meetings. • GAP is integrated into annual and quarterly work plans of PCU and PIU. | PDWA, and PIU Directors. |
| 4.3 Recruit gender consultants to support GAP implementation, training of contractors and consultant team, and other consultants to implement activities to ensure women gain increased access to economic opportunities. | <ul style="list-style-type: none"> • Gender consultants hired to support GAP implementation. • Consultants hired to support development of women-led enterprise activities. • 100% of PCU, PIU, and project implementation consultants trained in gender equality and GAP implementation. • Gender actions stated in work plans. | PCU Director. |
| 4.5 Women members of NSC, PCU and PIUs participate in GMS meetings and training events. | <ul style="list-style-type: none"> • 25% of participants attending GMS events on behalf of Cambodia are women. | NSC Chair and PCU Director. |
| 4.6 Develop a project performance monitoring system that provides information on the differential impacts of the project on women and men. | <ul style="list-style-type: none"> • Indicators for tracking progress and project benefits are sex disaggregated. • Monitoring of safeguards plans track differential impacts on women and men. • Gender actions noted in all progress reports. | PCU Director, PIU Directors and consultants. |
| 4.7 Tourism statistics harmonization includes systemization of sex-disaggregated data collection and reporting. | <ul style="list-style-type: none"> • All standard tourism statistics related to people are disaggregated by sex. | PCU Director. |

DMO = destination management organization, GAP = gender action plan, GMS = Greater Mekong Subregion, NSC = National Steering Committee, PCU = project coordination unit, PDWA = Provincial Department of Women's Affairs, PIU = project implementation unit.

^a Actions apply to all infrastructure subprojects and so the same for Output 1 and 2.

^b A destination management organization is defined as a public, private or public-private entity responsible for the management and/or marketing of tourism in a geographic region defined for that purpose.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

110. The design and monitoring framework (DMF) of the project is in Appendix D. The DMF will be uploaded in ADB e-Operations system upon board approval of the project.

B. Monitoring

111. **Project performance monitoring.** The DMF includes indicators and targets that focus on: (i) economic and tourism revenue distribution data to assist in monitoring the project impact; (ii) changes in tourism revenue and tourism employment to assist with monitoring the project outcome; (iii) estimated numbers of people benefitting from improved access to markets and services and improved environmental services at tourist sites, (iv) estimated numbers people and SMEs benefitting from the project's awareness and capacity building activities; and (v) gender equity.

112. Within 12 months of project effectiveness, the PCU, with assistance from the monitoring and evaluation consultants and other specialists, will develop the project performance management system (PPMS) that shall be used to monitor and evaluate the project during implementation. The PPMS will include the agreed socioeconomic, environmental, and tourism performance indicators, and baselines and targets to be used to measure the project impact, outcome and evaluate its outputs. During PPMS preparation, the PCU will: (i) confirm baseline figures and targets; (iii) determine monitoring and reporting arrangements; (iv) confirm data sources; (v) check assumptions and risks; and (vi) establish systems and procedures for systematic data collection. The PCU will submit the final PPMS to ADB for approval within 12 months of project effectiveness. Any changes will be uploaded by ADB into the e-Operations system.

113. All progress reports will include an assessment of overall implementation progress using a weighed implementation table (Annex E) in which physical progress for each activity is recorded and an aggregate overall weighted activity progress percentage is calculated. Annual progress reports will also include progress achieved at the output level as measured through the output indicator's performance targets. Prior to the midterm review and at the project's physical completion, in addition to activity and output data, data will be also be collected on progress toward achieving the project outcome and impact, which shall feed into the midterm review and project completion reports.

114. The PCU will be responsible for managing the PPMS—including the confirmation of baseline data, collection of data, monitoring of benefits, and evaluation of social and environmental impacts. Data will be presented in simple, easy-to-understand formats. The PCU will be responsible for analyzing and consolidating monitoring data through the PPMS and ensuring its incorporation into periodic project reports.

115. **Compliance monitoring.** The status of compliance with project covenants will be reviewed during each ADB review mission, to be conducted at 6-month intervals. The PCU will monitor compliance against the covenants and report updates in quarterly and annual progress reports submitted to ADB and the Government. Any non-compliance issues will be specified in these reports, with proposed remedial actions for consideration at ADB review missions. ADB will update the e-Operations system following each review mission.

116. **Environmental safeguards monitoring.** The EMPs include an impact mitigation plan, environmental monitoring plan, and the institutional responsibilities for the

implementation of the entire EMP. The purpose of the monitoring plan is to document the effectiveness of prescribed mitigation measures, and to document any unforeseen environmental impacts of the subprojects. The monitoring plans address the construction and operational phases of the subprojects. With support from the PCU, the EA will oversee implementation of the monitoring plans by the provincial PIUs and construction contractors with support provided by the project's environmental specialists who will organize the field sampling and required laboratory analyses and provide technical direction and support to the PIUs for the implementation of the monitoring plans.

117. The PIUs are responsible for preparing and submitting quarterly reports on monitoring activities to the PCU for consolidation and subsequent submission to ADB. The quarterly reports will be compiled from monthly reports submitted by the construction contractors, and environment specialists/PIU safeguards coordinators. The consultants will provide an overview of any issues arising from monitoring activities during the reporting period. The quarterly reports and other inputs will contribute to Semi-annual Environmental Monitoring Reports that the EA is required to submit to ADB.

118. **Resettlement safeguards monitoring.** The resettlement plan includes measures for internal monitoring of the RP. Primary responsibility for internal monitoring lies with the PCU as the project executing agency. The PCU will be responsible for overseeing the formation, function, and activities of the implementing agencies, and through quarterly monitoring reports, summarize this progress. All monitoring data will be collected to ensure sex disaggregation.

119. The National Social Safeguards Specialist (Resettlement) will support the PCU to establish systems to implement the internal monitoring plan and accompany the PCU and each PIU in carrying out internal monitoring to assess whether affected households are able to restore their living conditions, livelihoods and incomes to pre-subproject levels and, if not, to recommend remedial actions to assist affected households.

120. The role of internal monitoring and evaluation is to ensure that resettlement institutions are well functioning during the course of project implementation, and that the resettlement activities are undertaken in accordance with the implementation schedule described in the RP. In this way, the protection of APs' interests and the schedule for civil works can be assured.

121. As part of quarterly project progress reports submitted to ADB, the PIUs (through the PCU) will provide regular updates on resettlement activities while the resettlement plan is being implemented. The report will assess (i) compliance with the project's resettlement policies and procedures and (ii) the availability and efficient use of personnel, material and financial resources; (iii) implementation of the project's stakeholder communication strategy, including dissemination information in resettlement; and (vi) identification of any problems and the need for remedial actions to correct any problems that arise.

122. **Gender and social dimensions monitoring.** Gender and social dimensions not covered by resettlement documents will be monitored internally through the PPMS and using ADB's GAP monitoring framework. Specific indicators and targets from the gender action plan have been included in the DMF. At the beginning of the project, the PCU with assistance from the consultants will develop the PPMS and associated forms to generate data systematically for each output. Select indicators require sex- disaggregated data; these have been specified in the DMF. The PIUs are responsible for preparing and submitting quarterly reports on GAP activities to the PCU for consolidation and subsequent submission to ADB.

C. Evaluation

123. The ADB and government will jointly review the project at least twice a year (at 6-month intervals). Joint review missions will assess (i) achievement of contract awards and disbursements; (ii) physical progress of each project output; (iii) effectiveness of capacity development programs; (iv) compliance with social and environmental safeguards; (v) progress on gender and social dimensions; (vi) compliance with project covenants; and (vii) performance of government agencies, implementation units and consultant and contractor performance. In addition to the regular reviews, ADB and the Government may conduct special project administration reviews to address and resolve specific administration problems.

124. A midterm evaluation of the project will be conducted at about 30 months after the start of project implementation. The evaluation will include a comprehensive assessment of project implementation and record any changes necessary to improve project relevance or effectiveness, or accelerate project progress. The international and national monitoring and evaluation specialist will assist the PCU to prepare the necessary data and assessments of the project that will inform and feed into the midterm evaluation report. Specific areas of attention include: (i) review of project scope and the DMF; (ii) suitability of implementation arrangements; (iii) adequacy of costs and financing; (iv) performance of consultants and contractors; (v) performance of the EA and ADB; (vi) progress toward the outcome; (vii) compliance with project covenants; and (viii) sustainability. Within 6 months of physical completion of the project MOT will submit a project completion report to ADB.³⁰

D. Reporting

125. The MOT will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) 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

126. The Stakeholder Communication Strategy is based on the principles of transparency, timeliness, participation, meaningful participation³¹, and inclusiveness. The strategy ensures that vulnerable groups, such as the poor and women, who risk marginalization, are provided opportunities for communication and feedback during subproject design and implementation. Stakeholders include (i) project direct and indirect beneficiaries with a focus on small/micro business operators and employees of tourism-related businesses; (ii) mass organizations and civil society; (iii) community tourism management committees responsible for community-level tourism and site management; (iv) private sector tourism operators and accommodation and food service providers who share an interest in the outcomes and/or impacts of the project; and (v) government agencies having a role in implementation. The strategy serves to inform and support community development, enhance government capacity to manage the project, and enhance benefits while mitigating negative impacts.

³⁰ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

³¹ Meaningful participation is defined as a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. ADB Safeguard Policy Statement 2009.

127. The stakeholder communication strategy is designed to ensure: (i) a regular flow of reliable project information; (ii) ownership over project outcomes and interest/willingness to take advantage of the project benefits; (iii) inclusion of vulnerable groups in benefit distribution and project implementation; and (iv) promotion of responsible tourism development.

128. Table 17 provides the Stakeholder Communication Strategy. The PCU will establish and maintain a dedicated website for this project. The website will include at a minimum the following information: (i) project document (RRP) and the PAM; (ii) procurement information (bidding procedures, bidders, and contract awards); (iii) annual work plans; (iv) quarterly and annual progress reports, the midterm evaluation, and project completion report; (v) environmental and social safeguards documents; (vi) grievance redress mechanisms; and (vii) technical reports and knowledge products produced by the project.

Table 17: Stakeholder Communication Strategy

| Objective | Stakeholder Group | Function/Interest in Project | Messages | Means of Communication | Timeline | Responsibility |
|--|---|---|--|--|---|--|
| Ensure a regular flow of project information and promote ownership over subproject activities and tourism development. | Beneficiary communities, Vendors at subproject tourist sites, village leaders, tourist site management committees and related associations. Public living in tourism destination centers (Kampot, Kep and Koh Kong). | Direct beneficiaries of project, participants in site operation and maintenance, participants in micro and small enterprise development training and tourism employment training. | Local collaboration and support is fundamental to project effectiveness; information is to be shared openly and transparently; inputs into design and recommendations for improvements are welcome. Clear information on implementation arrangements and schedule of civil works. Update on subproject progress and roles for operation and maintenance after completion. Planned mitigation measures (including compensation rates, entitlements, grievance redress mechanism, road safety and noise/pollution control measures before and after construction) | Detail design consultations with user- friendly poster showing site plans and notification of how to register feedback (e.g. with village leader or head of CTG). Community Tourism Group Meetings – regular two-way flow of information between PIU & CTG about project activities, priorities and progress. Templates for providing project updates to CTG on a regular basis which they can use to transmit information to community. Public information meetings, including regular updates by Village Leader at village meetings following CTG meetings. Resettlement committee meetings and/or meetings with affected households. Printed information about subproject in local language posted in accessible public areas, including information on how to provide comments or register grievances. Brochures/posted information boards on upcoming training programs for tourism employment, micro-enterprise development. | On-going prior to implementation of activities. Early in each phase of subproject preparation. Project detailed design. On-going during civil works. | PIU through Commune Government and DWA. |
| Ensure a regular flow of project information. | Women, poor and vulnerable households and CSOs/NGOs working with the populations. | As above | As above plus disseminate contents of GAP and opportunities to participate in training/income generation activities. | Separate meetings with women organized through DWA and/or women-focused CSOs. Meetings with CSOs involved in social welfare of poor and vulnerable groups. Printed information in accessible language (or visual depictions) posted in accessible public areas about (i) subprojects and (ii) Output 3 training programs. Designation and provision of materials/toolkit to Women Community Facilitators for promotion/coaching micro-small enterprise development and disseminating information about tourism opportunities from PIU/project consultants. | As above | PIU through collaboration with CSO/NGOs & DWA. |

| Objective | Stakeholder Group | Function/Interest in Project | Messages | Means of Communication | Timeline | Responsibility |
|---|---|---|--|---|---|----------------|
| Raise visibility of benefits of tourism development for inclusive growth and build ownership over on-going investment in site O&M. | Public living in tourism destination centers (Kampot, Kep, and Koh Kong). Beneficiary communities. | Direct and indirect beneficiaries of project. | Project investments and tourism promotion is beneficial to local economy and culture/heritage. | Media press releases and sponsor coverage by local media using print, radio and TV features. Signboards promoting visibility of M/DOT, ADB and local government collaboration for tourism promotion/site improvement. Inaugurations of completed works with 'open' house and heritage/cultural events at sites. Web site about project activities, progress and documents. | At project launch and mid-way through as tangible results are realized. Signboards at appropriate locations ³² at start of construction and through project implementation. | PCU and PIUs |
| Raise visibility of benefits of tourism development and cross-border tourism cooperation for inclusive growth as key sector of economic development planning. | Central government, development partners, tourism operators and public-at-large. | Indirect beneficiaries and partners in tourism development. | Project investments and tourism promotion is beneficial to national economy and culture/heritage. | Media press releases and sponsor coverage by national media using print, radio, and TV features at key milestones events (project launch, site inaugurations, GMS regional meetings, etc.). Web site about project activities, progress and documents. | At project launch and mid-way through as tangible results are realized. | PCU and PIUs |
| Ensure flow of project information and promote public-private partnerships for inclusive tourism growth. | Private sector tourist companies, hotel and food service businesses & local chambers of commerce. | Direct beneficiaries of project and partners in destination promotion activities. | Promote participation in destination management initiatives, employment creation and initiatives to promote responsible tourism. | Partnership Forums and surveys on destination management strategies and marketing/promotion programs. Awareness campaigns to promote standards for responsible tourism. Website about project activities, progress and documents. | From outset of project. | PCU and PIUs. |

³² where not detracting from environmental or aesthetic value of sites, e.g. on upgraded roads

| Objective | Stakeholder Group | Function/Interest in Project | Messages | Means of Communication | Timeline | Responsibility |
|--|--------------------------------|---|--|---|-------------------------|-------------------|
| Ensure a regular flow of project information and promote women's ownership of subproject activities and tourism development. | Department of Women's Affairs. | <p>Government department responsible for promoting gender equality and gender-related capacity building at all administrative levels.</p> <p>Implements programs for outreach to women for vocational training, health education, water and sanitation, micro-credit access, anti-trafficking and prevention of child exploitation/labor.</p> <p>Promote women's involvement and participation in micro-small enterprise development and tourism employment training; lead initiatives for awareness-raising on anti-trafficking and other negative impacts of tourism.</p> | <p>Key benefits, risks and mitigation measures of tourism development.</p> <p>Benefits targeted to women.</p> <p>Disseminate information on sanitation, hygiene and health to communities.</p> | <p>National Steering Committee and Provincial Steering Committee meetings.</p> <p>PCU to coordinate and interact with MOT for specific roles in GAP and community mobilization and awareness programs.</p> <p>PIU to coordinate with Provincial & District authorities. .</p> | From outset of project. | PCU, PIU and DWA. |

| Objective | Stakeholder Group | Function/Interest in Project | Messages | Means of Communication | Timeline | Responsibility |
|---|--|--|--|--|--|---|
| Ensure a regular flow of project information and promote ownership over subproject activities and tourism development. | Civil society organizations. | Potential collaborators for ensuring women, poor and vulnerable households benefit from tourism opportunities. Potential partners in community tourism initiatives. | Key benefits, risks and mitigation measures of local Subproject activities and tourism promotion. Disseminate information on tourism micro-enterprise development, community tourism, road safety and other key project themes through network. | Public information meetings, website, holding meetings to explore and confirm areas of program collaboration and representation of relevant CSOs/NGOs on Destination Management Organization / partnership forums. | From outset of project. | PIU and Civil Society Organizations. |
| Raise awareness of how to prevent risk of HIV transmission, human trafficking and reducing negative impacts of tourism. | Communities in the project areas, civil works employees and sub-contractors. | Communities are responsible for operating tourism services and interacting with tourists and tourism industry stakeholders. | Key risks and mitigation measures of HIV transmission and human trafficking. | Public as well as targeted information meetings. Community awareness materials, public media. | Prior to commencement of civil works and throughout civil works. | PCU and PIS. Gender and Social Development Specialists Coordinators Civil works contractor. |
| Ensure a regular flow of project information and promote collaboration to complete project works. | Ministry of Public Works and Transport and Departments of Public Works & Transport, Departments of Environment, Agriculture, Forestry and Fisheries. | Responsible for implementation of parts of subprojects related to roads, transport, safeguards, and related services. | Project design, key project benefits, implementation arrangements and schedule of civil works. Positive and potential negative project impacts. Planned road /boating safety and operation and maintenance measures for sanitary facilities. | National and Provincial Steering Committee Meetings. Regular coordination meeting for detail design, safeguards implementation, and other project activities. Regular flow and sharing of documentation. Project website. | From outset of project and throughout implementation. | PCU, PIUs and MPWT, DPWT, DOE and DAFF. |
| | | Responsible for conservation and promotion of heritage sites, responsible for environmental safeguards. | Project is working to conserve heritage value and ensure environmental safeguards. | Provincial Steering Committee Meetings. Sharing of subproject designs, and safeguards documents. Project web site. | | PCUs, PIUs, M/DPWTs, DOE and DAFF. |

| Objective | Stakeholder Group | Function/Interest in Project | Messages | Means of Communication | Timeline | Responsibility |
|--|-------------------|--|---|---|---|----------------|
| Ensure understanding of project impact, outcome and outputs and importance of theme of inclusive growth. | MOTs/PIUs | Responsible for overseeing project implementation in their locality. | <p>Effective execution of their tasks, regular follow-up, monitoring and reporting progress and constraints is important for project success.</p> <p>Community collaboration and inclusive approach is essential to effective project delivery.</p> | <p>Dissemination of National Steering Committee decisions and strategic documents.</p> <p>Provincial Steering Committee meetings and dissemination of minutes / decisions.</p> <p>Trainings in project management and other institutional strengthening activities.</p> <p>Templates and simple chart (s) showing responsibilities for implementation, flow of funds, flow of activities, monitoring and follow-up.</p> <p>Project website.</p> <p>Regular email updates on project activities and relevant developments in GMS tourism.</p> <p>Sharing of information on project allocations; transparent process for selection for study tours, GMS regional visits and other benefits/institutional strengthening activities.</p> <p>Gender implementation training.</p> | From outset of project and throughout implementation. | MOT/PCU |

ADB = Asian Development Bank; DAFF = Department of Agriculture, Forestry and Fisheries; CEI = community engagement initiative; CTG = community tourism group; CSO = civil society organization; DOT = Department of Tourism; DPWT = Department of Public Works and Transport; DWA = Department of Women's Affairs; EA = executing agency; EMP = environmental management plan; IEE = initial environmental examination; MOT=Ministry of Tourism; MPWT = Ministry of Public Works and Transport; NGO = non-governmental organization; O&M = operation and maintenance; PCU = project coordination unit; PIU = project implementation unit; RP = resettlement plan; GAP = gender action plan; RRP = Report and Recommendation to the President of the Board.

X. ANTICORRUPTION POLICY

129. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.³³ 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/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³⁴

130. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project. Moreover, the Government will ensure that all PCU and PIU project staff are fully aware of and comply with the Government's and ADB's procedures, including procedures for: (i) implementation; (ii) procurement; (iii) use of consultants; (iv) disbursement; (v) reporting; (vi) monitoring; and (vii) prevention of fraud and corruption.

131. The Borrower shall: (i) undertake necessary measures to create and sustain a corruption-free environment for activities under the project; (ii) comply with ADB's Anticorruption Policy (1998, as amended to date); and (iii) where appropriate, ensure that relevant provisions of ADB's Anticorruption Policy are included in all bidding documents for the project. The Borrower: (i) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive and coercive practices relating to the project; and (ii) agrees to cooperate fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation. All external costs related to such investigations shall be met by the project resources or by the Borrower.

132. Without limiting the generality of the preceding paragraph, the Borrower shall: (i) conduct periodic inspections on the suppliers', contractors', consultants' and other service providers' activities related to the loan and grant proceeds, fund withdrawals and settlements; and (ii) ensure that all contracts financed by ADB in connection with the project include provisions specifying the right of ADB to audit and examine the records and accounts of the Borrower, and all suppliers, contractors, consultants and other service providers as they relate to the project.

133. A grievance redress mechanism has been proposed and will be established for the project. The PCU and each PIU will appoint a grievance officer that will be the focal point for all complaints about project performance. This mechanism is aligned with the mechanism outlined in the resettlement and environment planning documents. The PCU will keep a record of complaints and will report against any significant complaints in the quarterly project progress reports.

134. In addition to the above requirements, the Borrower shall set up a project website that shall disclose how the loan proceeds are being used and the contracts awarded, including: (i) the list of participating bidders; (ii) the name of the winning bidder; (iii) basic details on bidding procedures adopted; (iv) the amount of the contract awarded; (v) the list of goods and/or services purchased; (vi) the safeguard monitoring reports; and (vii) the grievance redress mechanism. The website shall be updated within two weeks after: (i) each award of contract; and (ii) each submission of the monitoring reports on resettlement. In addition, winning bids for each civil works contract will be posted on participating village notice boards.

³³ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

³⁴ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

XI. ACCOUNTABILITY MECHANISM

135. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. 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.³⁵

XII. RECORD OF PAM CHANGES

136. The PAM is a living document and is subject to change after ADB Board approval of the project. Hence, all revisions or updates during course of project implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM. The PAM was developed during the loan fact finding mission and revised and endorsed during loan negotiations on 9 October 2014.

137. The following are the revisions and updates made during the course of project implementation:

- (i)

³⁵ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

LINKED AND SUPPLEMENTARY DOCUMENTS ^a

<http://www.adb.org/Documents/RRPs/?id=46293-004-3>

1. Loan Agreement
2. Sector Assessment (Summary): Tourism in the Greater Mekong Subregion
3. Project Administration Manual (current file)
4. Contribution to the ADB Results Framework
5. Development Coordination
6. Financial Analysis
7. Economic Analysis
8. Country Economic Indicators
9. Summary Poverty Reduction and Social Strategy
10. Gender Action Plan
11. Initial Environmental Examination: Kampot and Kep Provinces
12. Initial Environmental Examination: Kampot Pier Development Subproject
13. Initial Environmental Examination: Kep Crab Market Environmental Improvements
14. Resettlement Plan: Kep Crab Market Environmental Improvements
15. Risk Assessment and Risk Management Plan

Supplementary Documents

16. Lessons From Past Greater Mekong Subregion Tourism Projects
17. Tourism Demand Analysis
18. Consultation and Participation Plan
19. Institutional Analysis and Arrangements for Operations and Maintenance of Project Facilities
20. Climate Change Resilience Measures

^a This is the list of linked documents for ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Kingdom of Cambodia, for the Greater Mekong Subregion Tourism Infrastructure for Inclusive growth Project*. Manila.

PROCUREMENT PLAN

Basic Data

| | |
|---|--|
| Project Name: Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project | |
| Project Number: 46293-004 | Approval Number: xxxxxx |
| Country: Cambodia | Executing Agency: Ministry of Tourism |
| Project Financing Amount: \$18.77 million ADB Financing: \$18.00 million Non-ADB Financing: \$0.77 million | Implementing Agency: Ministry of Tourism/Departments of Tourism of Kampot, Kep and Koh Kong Provinces |
| Date of First Procurement Plan: 9 October 2014 | Date of this Procurement Plan: : 9 October 2014 |

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

1. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

| Procurement of Goods and Works | | |
|---|------------------------------------|----------|
| Method | Threshold | Comments |
| International Competitive Bidding (ICB) for Works | \$1,000,000 and above | |
| International Competitive Bidding for Goods | \$500,000 and above | |
| National Competitive Bidding (NCB) for Works | Beneath that stated for ICB, Works | |
| National Competitive Bidding for Goods | Beneath that stated for ICB, Goods | |
| Shopping for Works | Below \$100,000 | |
| Shopping for Goods | Below \$100,000 | |

| Consulting Services | |
|---|----------|
| Method | Comments |
| Quality and Cost Based Selection (QCBS) | |
| Individual Consultant Selection (ICS) | |

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

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 | Procurement Method | Review (Prior / Post) | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
|----------------|--|-----------------|--------------------|-----------------------|-------------------|-----------------------------------|--|
| Works | | | | | | | |
| TIIG-CAM-W01 | Kampot Pier Development | \$9,120,500 | ICB | Prior | 1S1E | Q4/2015 | No prequalification; No domestic preference; Large works bidding documents |
| TIIG-CAM-W02 | Kep Crab Market Environmental Improvements | \$1,072,500 | ICB | Prior | 1S1E | Q4/2015 | No prequalification; No domestic preference; Large works bidding documents |

1S1E = single stage-one envelope; ICB = international competitive bidding; Q = quarter.

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

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 | Recruitment Method | Review (Prior / Post) | Advertisement Date (quarter/year) | Type of Proposal | Comments |
|---|---|-----------------|--------------------|-----------------------|-----------------------------------|------------------|--|
| Firms | | | | | | | |
| TIIG-CAM-C01 | Project Management and Civil Engineering Support | \$996,0000 | QCBS | Prior | Q4/2014 | FTP | International and National. Total 115 p-m 80:20 Quality-Cost Ratio |
| Individual Consultants | | | | | | | |
| Destination Management Capacity Building Support | | | | | | | |
| TIIG-CAM-C02 | International Tourism Specialist/Deputy Team Leader | \$328,000 | ICS | Prior | Q4/2014 | EOI+CV | International 24 p-m |
| TIIG-CAM-C05 | National Tourism Destination Management and Training Specialist | \$126,000 | ICS | Prior | Q4/2014 | EOI+CV | National 36 p-m |

CV = Curriculum Vitae; EOI = Expression of Interest; ICS = individual consultant selection; p-m = person-months; Q = quarter; QCBS = quality and cost-based selection.

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

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 | Number of Contracts | Procurement Method | Review (Prior / Post) | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
| Works | | | | | | | | |
| Goods | | | | | | | | |
| TIIG-CAM-G01 | PCU & PIU vehicles | \$160,000 | 1 | NCB | Prior | 1S1E | Q4/2014 | No prequalification; No domestic preference |
| TIIG-CAM-G02 | PCU office furniture and equipment | \$20,000 | 1 | Shopping | Post | Quotation | Q1/2015 | No prequalification; No domestic preference |
| TIIG-CAM-G03 | PIU office furniture and equipment (3 PIUs) | \$60,000 | 4 | Shopping | Post | Quotation | Q1/2015 | No prequalification; No domestic preference |

| | | | | | | | | |
|--------------|---|----------|---|----------|------|-----------|---------|--|
| TIIG-CAM-G08 | Equipment for DMO partner organizations | \$30,000 | 8 | Shopping | Post | Quotation | Q2/2015 | No prequalification; No domestic preference |
|--------------|---|----------|---|----------|------|-----------|---------|--|

1S1E = single stage-one envelope; DMO = destination management organization; NCB = national competitive bidding; PCU = project coordination unit; PIU = project implementation unit

| Consulting Services | | | | | | | | |
|---|--|-----------------|---------------------|--------------------|-----------------------|-----------------------------------|------------------|---------------------|
| Package Number | General Description | Estimated Value | Number of Contracts | Recruitment Method | Review (Prior / Post) | Advertisement Date (quarter/year) | Type of Proposal | Comments |
| Individual Consultants | | | | | | | | |
| <u>Destination Management Capacity Building Support</u> | | | | | | | | |
| TIIG-CAM-C03 | International MSE Development Specialist | \$38,000 | 1 | ICS | Prior | Q4/2014 | EOI+CV | International 3 p-m |
| TIIG-CAM-C04 | International Heritage Interpretation Specialist | \$38,000 | 1 | ICS | Prior | Q4/2014 | EOI+CV | International 3 p-m |
| TIIG-CAM-C06 | National Tourism MSE Value Chain Specialist | \$13,000 | 1 | ICS | Prior | Q4/2014 | EOI+CV | National 3 p-m |
| TIIG-CAM-C07 | National Tourism MSE Development Specialist | \$38,000 | 1 | ICS | Prior | Q4/2014 | EOI+CV | National 12 p-m |
| TIIG-CAM-C08 | National Heritage Interpretation Specialist | \$13,000 | 1 | ICS | Prior | Q4/2014 | EOI+CV | National 3 p-m |
| <u>Financial Management & Procurement Support</u> | | | | | | | | |
| TIIG-CAM-C09 | National Procurement Specialist | \$18,000 | 1 | ICS | Prior | Q4/2014 | EOI+CV | National 6 p-m |
| TIIG-CAM-C10 | National Financial Management Specialist | \$74,000 | 1 | ICS | Prior | Q4/2014 | EOI+CV | National 27 p-m |

CV = Curriculum Vitae; CQS = consultants' qualifications selection; EOI = Expression of Interest; ICS = individual consultant selection; MSE = micro- and small-enterprise; p-m = person-months; PPP = public-private partnership; Q = quarter

B. Indicative List of Packages Required Under the Project

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) | Estimated Number of Contracts | Procurement Method | Review (Prior / Post) | Bidding Procedure | Comments |
| Works | | | | | | | |

| Goods | | | | | | | |
|--------------|--|-----------|---|----------|------|-----------|---|
| TIIG-CAM-G04 | Customs and immigration scanning/x-ray equipment | \$300,000 | 1 | NCB | Post | 1S1E | No prequalification; No domestic preference |
| TIIG-CAM-G05 | Vacuum truck 5m ³ | \$250,000 | 1 | NCB | Post | 1S1E | No prequalification; No domestic preference |
| TIIG-CAM-G07 | Equipment for heritage interpretation | \$65,000 | 6 | Shopping | | Quotation | No prequalification; No domestic preference |
| TIIG-CAM-G8 | Equipment for MSE development | \$30,000 | 6 | Shopping | | Quotation | No prequalification; No domestic preference |
| TIIG-CAM-G9 | Equipment for solid waste management | \$18,000 | 3 | Shopping | | Quotation | No prequalification; No domestic preference |

1S1E = single stage-one envelope; ICB = international competitive bidding; DMO = destination management organization;

MSE = micro- and small-enterprise; NCB = national competitive bidding; PCU = project coordination unit; PIU = project implementation unit

| Consulting Services | | | | | | | |
|-------------------------------|---------------------|------------------------------|-------------------------------|--------------------|-----------------------|------------------|----------|
| Package Number | General Description | Estimated Value (cumulative) | Estimated Number of Contracts | Recruitment Method | Review (Prior / Post) | Type of Proposal | Comments |
| Firms | | | | | | | |
| | | | | | | | |
| Individual Consultants | | | | | | | |
| | | | | | | | |

CV = Curriculum Vitae; CQS = consultants' qualifications selection; EOI = Expression of Interest; ICS = individual consultant

selection; MSE = micro- and small-enterprise; p-m = person-months; PPP = public-private partnership; Q = quarter; QCBS = quality- and cost-based selection

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

None

D. National Competitive Bidding

1. General

The procedures to be followed for national competitive bidding shall be those set forth for the "National Competitive Bidding" method in the Government's Procurement Manual of May 2012 issued under Sub-decree No. 74 ANK.BK dated 22 May 2012 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the Procurement Guidelines.

2. Application

Contract packages subject to National Competitive Bidding procedures will be those identified as such in the project Procurement Plan. Any changes to the mode of procurement from those provided in the Procurement Plan shall be made through updating of the Procurement Plan, and only with prior approval of ADB.

3. Eligibility

Bidders shall not be declared ineligible or prohibited from bidding on the basis of barring procedures or sanction lists, except individuals and firms sanctioned by ADB, without prior approval of ADB.

4. Advertising

Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.

5. Anti-Corruption

Definitions of corrupt, fraudulent, collusive and coercive practices shall reflect the latest ADB Board-approved Anti-Corruption Policy definitions of these terms and related additional provisions

6. Rejection of all Bids and Rebidding

Bids shall not be rejected and new bids solicited without ADB's prior concurrence.

7. Bidding Documents

The bidding documents provided with the government's Procurement Manual shall be used to the extent possible. The first draft English language version of the procurement documents shall be submitted for ADB review and approval, regardless of the estimated contract amount, in accordance with agreed review procedures (post and prior review). The ADB-approved procurement documents will then be used as a model for all procurement financed by ADB for the project, and need not be subjected to further review unless specified in the procurement plan.

8. Member Country Restrictions

Bidders must be nationals of member countries of ADB, and offered goods, works and services must be produced in and supplied from member countries of ADB.

TERMS OF REFERENCE FOR CONSULTING SERVICES

Table 1: Summary of Consultant Inputs

| Summary | Person-Months | | |
|--|---------------|------------|------------|
| | International | National | Total |
| Project Management and Civil Engineering Support (Firm) | 25 | 90 | 115 |
| Destination Management Capacity Building Support (Individuals) | 30 | 54 | 84 |
| Financial Management & Procurement Support (Individuals) | - | 33 | 33 |
| Total | 55 | 177 | 232 |

| Package | Person-Months |
|---|---------------|
| Project Management and Civil Engineering Support (Firm) | |
| <i>International</i> | |
| 1 International Civil Engineer/ Team Leader | 18 |
| 2 International PPP Specialist | 2 |
| 3 International Environment Specialist | 4 |
| 4 International Gender and Social Development Specialist | 1 |
| Total | 25 |
| <i>National</i> | |
| 1 National Lead Civil Engineer | 35 |
| 2 National Civil Engineer | 12 |
| 3 National Environment Specialist | 18 |
| 4 National Gender and Social Development Specialist | 12 |
| 5 National Social Safeguards Specialist (Resettlement) | 3 |
| 6 National Monitoring and Evaluation Specialist | 10 |
| Total | 90 |
| Destination Management Capacity Building Support (Individuals) | |
| <i>International</i> | |
| 1 International Tourism Specialist/Deputy Team Leader | 24 |
| 3 International MSE Development Specialist | 3 |
| 4 International Heritage Specialist | 3 |
| Total | 30 |
| <i>National</i> | |
| 1 National Tourism Destination Management and Training Specialist | 36 |
| 2 National Tourism MSE Value Chain Specialist | 3 |
| 3 National Tourism MSE Development Specialist | 12 |
| 4 National Heritage Specialist | 3 |
| Total | 54 |
| Financial Management & Procurement Support (Individuals) | |
| <i>National</i> | |
| 1 National Procurement Specialist | 6 |
| 2 National Financial Management Specialist | 27 |
| Total | 33 |

A. INTRODUCTION

1. The objectives of the consulting services are to support the Ministry of Tourism, Cambodia, implement the Tourism Infrastructure for Inclusive Growth Project (the project). The total consulting service requirements are an estimated 232 person-months (55 person-month international and 177 person-months national) and include (i) Project Management and Civil Engineering Support (PMCES); (ii) Destination Management Capacity Building Support (DMCBS) and (iii) Financial Management and Procurement Support (FMPS). The PMCES consulting package will be recruited through a firm using the quality- and cost-based selection (QCBS) method with standard quality-cost ratio of 80:20, the DMCBS and FMPS consultants will be recruited as individual consultants.

B. PACKAGE 1: PROJECT MANAGEMENT AND CIVIL ENGINEERING SUPPORT

2. The PMCES consulting package will include an estimated 115 person-months (25 person-month international and 90 person-months national) to: (i) assist the PCU and PIUs in detailed design, tendering and supervision of civil works; (ii) assist with social and environmental safeguards compliance; and (iii) provide project management and administrative support to PCU and PIUs. The PMCES consulting package will be recruited through a firm using the quality- and cost-based selection (QCBS) method with standard quality-cost ratio of 80:20. The contract for this package will include provisional sums for technical surveys needed for detailed design. Detailed Terms of References for the PCEMS consultants are as follows:

1. International Civil Engineer/Team Leader (18 person months)

3. The International Civil Engineer/Team Leader (ICE/TL) will (i) be responsible for the overall supervision of the international and national consultants and (ii) direct and supervise all aspects of the project's detailed design, documentation, contracting and supervision of all civil engineering works connected with the realization of the infrastructure subprojects under Outputs 1 and 2. In undertaking the assigned project management tasks, the ICE/TL will coordinate with appropriate PCU/PIU staff and work closely with and be supported by the Tourism Specialist/Deputy Team Leader (TS/DTL). Specific tasks include:

Project management tasks

- (i) Supervise and coordinate the work of the international and national consultants, and ensure that the consultants' outputs are in accordance with agreed Terms of Reference and project requirements;
- (ii) Prepare and regularly review the consultants' personnel schedule to coordinate PCU, PIU and international and national consultants' inputs and respond to changing project circumstances if and when these occur;
- (iii) In coordination with the Deputy Team Leader, and in close consultation with the PCU and PIUs, lead the preparation of the five-year and annual project activity plans and budgets and monitor activity implementation;
- (iv) Supervise the design and operationalize standard project management and administration systems, procedures and controls in compliance with ADB and Government guidelines and procedures;
- (v) Supervise the development and implementation of project financial monitoring and reporting activities;
- (vi) Supervise the design and implementation of appropriate training programs in the use of the project management and administration systems, procedures and controls;
- (vii) Supervise and contribute to the design of training programs for sustainable operations and maintenance of facilities constructed by the project;

- (viii) Supervise the finalization and implementation of a Project Performance Monitoring System (PPMS), including project impact, outcome and output indicators, as defined in the DMF, as well as safeguards and gender and social development indicators;
- (ix) Support the PCU and PIUs with compliance with ADB Loan covenants, assurances and safeguard requirements, as well as with national and provincial policies and regulations;
- (x) Coordinate the design, launch and maintenance of a project website to disseminate information about the project such as procurement and consultant recruitment notices, information on contract awards, work plans, progress reports. Knowledge products, social and environmental safeguards documents and monitoring and grievance redress procedures;
- (xi) Organize regular project management team meetings including the international and national consultants and PCU;
- (xii) Review project goods and services procurement proposals and ensure they are in accordance with the approved procurement plan;
- (xiii) In coordination with the PCU Financial Controller recommend payments to contractors;
- (xiv) Supervise the administration of the provisional sums for technical surveys for detailed design;
- (xv) In cooperation with the Deputy Team Leader, take the lead in reviewing and consolidating all consultant's reporting submissions and consolidation into integrative high quality reports in accordance with agreed reporting schedules, including quarterly progress reports.
- (xvi) In coordination with the Deputy Team Leader, advise the PCU on developing a web-based knowledge center and oversee the uploading of all training and knowledge products and marketing and promotional materials produced by the project;
- (xvii) Undertake other specific technical management inputs where these may be required;

Infrastructure design and supervision tasks:

- (i) Supervise the team of national infrastructure design and supervision consultants;
- (ii) Initiate project detailed design and implementation activities by assisting the PCU in a comprehensive review of all project documentation including feasibility studies, preliminary designs, cost estimates, procurement plans, and safeguard requirements;
- (iii) Guide in identifying the scope of site surveys needed to prepare detailed designs;
- (iv) Identify detailed subproject engineering requirements;
- (v) Develop design standards and preliminary cost estimates;
- (vi) Assign responsibilities to the national civil engineering consultants and PIU infrastructure teams regarding the preparation of detailed engineering documentation, specification and bills of quantities;
- (vii) Lead the preparation of contract packages for tendering in accordance with ADB and Government procurement guidelines and define requirements for a conforming tender with criteria for evaluation of bids based on price and performance;
- (viii) Coordinate with PCU and PIUs to ensure that all necessary approvals from provincial and local authorities have been obtained;
- (ix) Prepare bid evaluation reports against established criteria and recommend the award of contracts;
- (x) Establish construction quality, environmental and audit procedures and verify contractors meet all financial and insurance obligations as required by the bid document;

- (xi) Guide the national engineering consultants to carry out routine compliance supervision during construction and submit regular progress reports to both government and ADB.
- (xii) Ensure construction procedures are followed, regular site meetings are programmed and review test results and quality audits;
- (xiii) Monitor and recommend payment certification based on progress and compliance with the bidding documents.
- (xiv) Evaluate and make recommendations to the PCU with respect to any variations submitted by the contractor;
- (xv) With the PIUs, responsible agencies for waste management systems, and together with the International Tourism Specialist/Deputy Team Leader, plan for and develop systems and procedures for sustainable operation and maintenance (O&M) of project supported infrastructure, including through public-private partnerships;
- (xvi) Supervise and contribute to the design of training programs for sustainable operations and maintenance of facilities constructed by the project, including through public-private partnerships;
- (xvii) Advise on the hand over arrangements of the wastewater and pier management systems to the agencies who will be responsible for O&M;
- (xviii) Undertake other specific technical civil engineering inputs where these may be required.

4. Preferred Qualifications and Experience: An advanced degree in civil engineering or related engineering discipline relevant to the project and 12 years of experience leading similar multisector design and implementation projects, a high percentage of which within GMS countries. Experience in Cambodia and with ADB project implementation will be advantages.

2. International Public-Private Partnership Specialist (2 person-months)

5. The International Public-Private Partnership Specialist (IPPPS) will advise on public-private partnership (PPP) arrangements for PPP opportunities identified during the project preparation phase. Specific tasks include:

- (i) Review all relevant project documentation, especially the preliminarily identified PPP opportunities;
- (ii) Validate the assumptions used in the feasibility study for the project during loan preparation stage and revise if necessary;
- (iii) Prepare comprehensive financial projections that will provide clear indication of the potential for undertaking a PPP to operate Kampot Pier;
- (iv) Provide detailed advice to the government on the next steps taking into account international best practice on PPP preferably with similar port facilities;
- (v) Review all institutional and regulatory issues relating to PPP transactions;
- (vi) In close coordination with the International Civil Engineer/Team Leader and the respective PIUs, determine the PPP modality best suited for the pier and at least 2 other identified PPP opportunities;
- (vii) Collaborate with PIU Tourism Teams and the International Tourism Specialist/Deputy Team Leader on the establishment of destination marketing and promotion teams in selected Destination Management Organizations and incorporating PPP for marketing and promotion in Destination Management Plans developed by the project;
- (viii) Coordinate with government agencies in the set-up and compliance with regulations such as but not limited to environmental clearance certificates;
- (ix) Provide advisory services to assist the government in the preparation of project briefs, request for proposals, bid evaluation systems and criteria, design of a

suitable bid process that will ensure comparable bids and a draft PPP agreement for the Kampot pier and other facilities in compliance with government regulations;

- (x) Participate in the negotiations with potential private partners to assist the government with final selection and contracting of service providers/site managers.

6. Preferred Qualifications and Experience: A post-graduate university degree in public administration, economics, finance, or other relevant field with 10 years of work experience including in-country experience in government related infrastructure projects, substantial involvement in the successful award of at least two PPP projects and knowledge of taxation laws, incentives, financial accounting systems, and domestic insurance/guarantee markets. Experience in Cambodia and with ADB project implementation will be advantages.

3. International Environmental Specialist (4 person-months)

7. The International Environmental Specialist (IES), with assistance from the National Environmental Specialist (NES), will be responsible for updating the projects Initial Environmental Examination (IEE) and two Environmental Management Plans (EMPs) at detailed design stage, and assisting the PIUs with overall environmental management of the implementation of the subprojects. Specific tasks include:

- (i) Update the IEE and EMPs to ensure that they address the detailed designs and engineering of subprojects - updates to EMPs include mitigation and monitoring plans, budget, and capacity development needs of executing agency, PCU and PIUs (DOT and DPWT);
- (ii) In collaboration with the NES provide initial training to MOT and DOT and DPWT on the purpose, content, and roles and responsibilities for implementation of updated EMPs;
- (iii) Ensure that all relevant safeguards of the EMPs are adequately addressed in the bidding documents (instruction to bidders), and in the evaluation criteria for awarding contracts;
- (iv) Coordinate and work with the PIUs to ensure that contractors finalize their respective site-specific Contractor's Environmental Management Plans (CEMPs) based on the updated EMPs and the actual site conditions;
- (v) Assist with the completion and implementation of the boat navigation management plan for the Teuk Chuu River including location of designated channel markers, and markers demarcating the nearshore seagrass beds and mangrove forests.
- (vi) Oversee the implementation of all safeguards of the two EMPs relating to construction phase activities including handling of construction spoil and waste, water and air quality protection, public nuisance impacts (noise, dust, traffic, blocked access, workers, and camps), and public safety;
- (vii) Coordinate with the provincial Departments of Environment (DOE) on all relevant environmental regulatory compliance issues (e.g. for treated effluent discharge to Kampot bay, noise and dust from construction sites, sanitation in workers campsite etc).
- (viii) Coordinate with DPWTs, including the waterways unit of DPWT-Kampot to address vehicle and boat traffic issues, respectively during road upgrades and pier development.
- (ix) With the PIU Infrastructure Teams, prepare TORs for the follow-up interviews and consultations with the same affected stakeholders and local residents contacted during project preparation on issues and concerns arising during project construction - of particular concern is upgrades to access roads;

- (x) Prepare TOR(s) for required groundwater and soils investigation at the crab market, and laboratory analyses for the monitoring plans for the provincial EMPs;
- (xi) Prepare TOR(s) for the Cambodian Mine Action Committee (CMAC) or UXO clearance operators for the survey, detection, and removal of unexploded ordnance (UXO) at all civil works sites. Ensure that EA and/or PIUs consult GOC authorities to assist with TOR development and implementation.
- (xii) Advise PIU Infrastructure Teams on environment-related concerns arising during subproject construction, and recommend corrective measures;
- (xiii) With PIU Infrastructure Teams, ensure dissemination to stakeholders the results of environment quality monitoring and implementation of safeguards, especially among households or small businesses near the civil construction works areas;
- (xiv) Assist PCU and PIU Infrastructure Teams prepare a table of contents for regular reports PIUs must submit to the PCU on implementation of EMPs, environmental, issues, and corrective actions;
- (xv) Assist PIU Infrastructure Teams prepare a simple report template for construction contractors to report monthly on mitigation activities, and environmental issues that occur during the construction phase;
- (xvi) Prepare quarterly status reports and period spot checks on the implementation of EMPs, environmental issues, and public safety protection to be submitted through the PIU and PCU to the provincial DOEs and ADB.

Preferred Qualifications and Experience: A university degree in natural resource/science/environmental management, 7 years of experience implementing and managing environmental assessment of infrastructure projects in the GMS, a good understanding of ADB and national environmental safeguard requirements, experience working with and supervising the activities of provincial and national environmental management agencies with environmental safeguards and designing and delivering training and capacity development programs to provincial project implementing units. Experience in Cambodia, and with for ADB or other internationally financed projects will be advantages.

4. International Gender and Social Development Specialist (1 person-months)

8. The International Gender and Social Development Specialist (IGSDP) will review and operationalize the Gender Action Plan (GAP), the Consultation and Participation Plan, and the Stakeholder Communication Strategy and support the PCU and provincial PIUs to develop the skills and mechanisms to carry these out. Specific tasks include:

- (i) Review and operationalize the GAP including gender in resettlement plan;
- (ii) Prepare training modules in gender to support various training and capacity development programs under institutional strengthening activities (Output 3 & 4), including capacity building training on resettlement activities for the Resettlement Committees (RCs), and other agencies;
- (iii) Review and provide inputs in the detailed design to ensure that design elements maximize benefits and minimize negative impacts to women;
- (iv) In coordination with the National Social Safeguards Specialist prepare training modules on inclusion of women from ethnic groups in tourism activities as part of the training and capacity development programs under institutional strengthening activities (Output 3 & 4);
- (v) Support the PCU and PIUs to operationalize the Consultation and Participation Plans, and the Stakeholder Communication Strategy and provide guidance and training on effective participatory methods and development communication techniques to effectively realize the plans' objectives;
- (vi) Support the Destination Management Capacity Building Support consultants in designing training programs that are gender sensitive and relevant to the livelihood needs and priorities of women and ethnic groups; in particular support

- the International Micro- and Small-Enterprise Development Specialist and National Tourism Micro- and Small-Enterprise Value Chain Specialist to identify tourism products that provide women with the maximum economic benefits with the least addition to their labor time;
- (vii) Support Social Safeguards specialists in consultation, training and facilitation methods that will reach out to men and women from different vulnerable groups of affected households;
 - (viii) Ensure that men and women from vulnerable groups and affected women headed households are consulted effectively and have access to fair and timely compensation and to grievance procedures;
 - (ix) Develop sex-disaggregated monitoring indicators (together with Monitoring & Evaluation Specialists) for inclusion in the project performance management system and project baseline report and support PIUs to monitor and report on these indicators' implementation and achievements;
 - (x) Establish templates for reporting on progress of GAP, Consultation and Participation Plans and Stakeholder Communication Strategy for regular progress reports;
 - (xi) Share/introduce international practice on tourism statistics collection to ensure people related data are sex disaggregated.

Preferred Qualifications and Experience: An advanced degree in the social sciences, familiarity with ADB's *Safeguard Policy Statement 2009* (SPS 2009) and the related laws and policies of Cambodia and 3 years of experience implementing GAPs, Consultation and Participation Plans and Stakeholder Communication Strategies in similar projects. Experience with ADB project implementation in Cambodia will be an advantage.

5. National Lead Civil Engineer (35 person-months)

9. The National Lead Civil Engineer (NLCE) will assist the International Civil Engineer/Team Leader (ICE/TL) by supervising and coordinating the inputs of the National Civil Engineer and direct support to the PIU Infrastructure Teams in the preparation of Output 1 and 2 detailed engineering and architectural designs and bidding documents. Specific tasks include:

- (i) Supervise the team of national Infrastructure Design and Supervision Consultants;
- (ii) Initiate project detailed design and implementation activities by assisting the International Civil Engineer/Team Leader (ICE/TL) and the PCU in a comprehensive review of all project documentation including feasibility studies, preliminary designs, cost estimates, procurement plans, and safeguard requirements.
- (iii) Direct field operations in identifying the scope and assist procurement of technical surveys needed to prepare detailed designs;
- (iv) Administer the provisional sums for technical surveys for detailed design;
- (v) Prepare detailed infrastructure designs;
- (vi) Identify detailed subproject engineering requirements;
- (vii) Supervise and conduct design standards and preliminary cost estimates;
- (viii) Assist the ICE/TL to assign responsibilities to the National Civil Engineer (NCE) consultant and PIU infrastructure teams regarding the preparation of detailed engineering documentation, specification and bills of quantities;
- (ix) Assist the ICE/TL the preparation of contract packages for tendering in accordance with ADB and Government procurement guidelines and define requirements for a conforming tender with criteria for evaluation of bids based on price and performance;

- (x) Coordinate with the PCU and PIUs to ensure that all necessary approvals from provincial and local authorities have been obtained;
- (xi) Assist the ICE/TL to prepare bid evaluation reports against established criteria and recommend the award of contracts;
- (xii) In collaboration with the ICE/TL establish construction quality, environmental and audit procedures and verify contractors meet all financial and insurance obligations as required by the bid document;
- (xiii) On a day to day basis guide the national engineering consultants to carry out routine compliance supervision during construction and submit regular progress reports to both government and ADB.
- (xiv) Ensure construction procedures are followed; regular site meetings are programmed and review test results and quality audits;
- (xv) Assist the ICE/TL to monitor and recommend payment certification based on progress and compliance with the bidding documents.
- (xvi) Assist the ICE/TL to evaluate and make recommendations to the PCU with respect to any variations submitted by the contractor;
- (xvii) Assist the ICE/TL plan for and develop systems and procedures for sustainable operation and maintenance (O&M) of project supported infrastructure;
- (xviii) Contribute to the design of training programs for sustainable operations and maintenance of facilities constructed by the project;
- (xix) As directed by the ICE/TL, undertake other specific technical civil engineering inputs where these may be required.

10. Preferred Qualifications and Experience: An advanced degree in civil engineering or related engineering discipline relevant to the project and 10 years of experience on leading similar multisector projects. Experience with ADB project implementation will be an advantage.

6. National Civil Engineer (12 person-months)

11. The National Civil Engineer (NCE) will assist the International Civil Engineer/Team Leader (ICE/TL), under the direct supervision of the National Lead Civil Engineer (NLCE), to support the PIU Infrastructure Teams in the preparation of Output 1 and 2 detailed engineering and architectural designs and bid documents. Specific tasks include:

- (i) Assist in identifying the scope of site surveys needed to prepare detailed designs;
- (ii) Assist with identifying detailed subproject engineering requirements;
- (iii) Assist with conducting design standards and preparing detailed designs and cost estimates;
- (iv) Under direction of the NLCE, support the PIU infrastructure teams regarding the preparation of detailed engineering documentation, specification and bills of quantities;
- (v) Prepare detailed infrastructure designs;
- (vi) Assist with the preparation of contract packages for tendering in accordance with ADB and Government procurement guidelines and define requirements for a conforming tender with criteria for evaluation of bids based on price and performance;
- (vii) Carry out routine compliance supervision during construction and contribute to regular progress reports to both government and ADB.
- (viii) Verify that construction procedures are followed; attend regular site meetings and assist with reviewing test results and quality audits;
- (ix) Assist with monitoring progress and compliance with the bidding documents.
- (x) As directed by the NLCE undertake other specific technical civil engineering inputs where these may be required.

12. Preferred Qualifications and Experience: A bachelor's degree in civil engineering or related engineering discipline relevant to the project and 5 years of experience of involvement in similar projects. Experience with ADB project implementation will be an advantage.

7. National Environmental Specialist (18 person-months)

13. The National Environmental Specialist will provide assistance to the International Environmental Specialist (IES) including acquisition of new information to update the initial environmental examination (IEE) and environmental management plans (EMP) at detailed design, and work with the PIU with overall environmental management of the implementation of the subprojects. Specific tasks include:

- (i) Assist with updating the IEE and EMPs to ensure that they address the detailed designs and engineering of subprojects;
- (ii) Deliver initial training to Ministry and provincial Departments of Tourism and Departments of Public Works and Transport (DPWTs) on the purpose, content, and roles and responsibilities for implementation of updated EMPs;
- (iii) Ensure relevant safeguards of the EMPs are addressed in the bidding documents in accurate local language and in evaluation criteria for awarding contracts;
- (iv) Assist PIUs to ensure that contractors prepare their respective site-specific plans based on the updated EMPs and the actual site conditions;
- (v) Assist the IES oversee the implementation of all safeguards of the two EMPs relating to construction phase activities including handling of construction spoil and waste, water and air quality protection, public nuisance impacts (noise, dust, traffic, blocked access, workers, and camps), and public safety;
- (vi) Assist coordination with the provincial Departments of Environment (DOE) on all relevant environmental regulatory compliance issues (e.g. noise and dust from construction sites, sanitation in workers campsite etc);
- (vii) With PIU Infrastructure Teams, prepare TORs for the follow-up interviews and consultations with the same affected stakeholder and local residents contacted during project preparation on issues and concerns arising during project construction -of particular concern is upgrades to access roads;
- (viii) Assist DPWTs to address vehicle traffic issues, respectively during road upgrades;
- (ix) With IES advise the PIU Infrastructure Teams on environment-related concerns arising during subproject construction, and recommend corrective measures;
- (x) With PIU Infrastructure Teams, ensure dissemination to stakeholders the results of environment quality monitoring and implementation of safeguards, especially among households or small businesses near the civil construction works areas;
- (xi) Assist with all reporting for the EMP.

14. Preferred Qualifications and Experience: A university degree in natural resource/science/environmental management, 5 years of experience with environmental assessment of infrastructure projects, understanding of ADB and national environmental safeguard requirements and experience working with international consultants and delivering training and capacity development programs to provincial project implementing units. Experience with ADB project implementation will be an advantage.

8. National Gender and Social Development Specialist (12 person-months)

15. The National Gender and Social Development Specialist (NGSDS) will support the International Gender and Social Development Specialist (IGSDS) to review and operationalize the Gender Action Plan (GAP), the Consultation and Participation Plans, and the Stakeholder Communication Strategy and assist with capacity development of PCU and

provincial PIUs to carry them out. Specific tasks include:

- (i) Support the project management team to operationalize the GAP by working with the PCU and PIU to prepare annual work plans that integrate the actions into project implementation cycle;
- (ii) Conduct gender training based on modules developed jointly with IGSDS to support various capacity development programs under institutional strengthening components (Output 3 & 4), including capacity building training on gender and social safeguards for the Resettlement Committees, and other agencies;
- (iii) Review and provide inputs in the detailed design to ensure that design elements maximize benefits and minimize negative impacts to women and ethnic groups and consider the points raised by these groups during consultations;
- (iv) Update and operationalize the Consultation and Participation Plans, and the Stakeholder Communication Strategy;
- (v) Support the Destination Management Capacity Building Support consultants in the mobilization and initial facilitation of community-based organizations to ensure that channels of community participation are established from the project-start up;
- (vi) Conduct training programs and other capacity development activities on participatory methods and development communications under institutional strengthening activities (Output 3 & 4);
- (vii) Support the National Social Safeguards Specialist and Destination Management Capacity Building Support consultants in designing training programs that are gender sensitive and relevant to the livelihood needs and priorities of women and ethnic groups; in particular support the International MSE Development Specialist and National Tourism MSE Value Chain Specialist to identify tourism products that provide women with the maximum economic benefits with the least addition to their labor time;
- (viii) In accordance with the Consultation and Participation Plan, ensure that men and women from vulnerable groups and affected women headed households are consulted effectively and have access to channels for providing inputs into project activities that affect their communities and livelihoods;
- (ix) Develop sex-disaggregated monitoring indicators (together with Monitoring & Evaluation specialist) for inclusion in the project performance management system and project baseline report;
- (x) Establish templates for reporting on progress of GAP and gender and ethnic actions in resettlement plan for regular progress reports.

16. Preferred Qualifications and Experience: An advanced degree in the social sciences, familiarity with ADB's *Safeguard Policy Statement 2009* (SPS 2009) and the related national laws and policies and 3 years of experience on supporting GAP and EMDP implementation, preferably on ADB financed projects.

9. National Social Safeguards Specialist (Resettlement) (3 person-months)

17. The National Social Safeguards Specialist (NSSS) will (i) update the Resettlement Plan (RP), including coordinating the Detailed Measurement Survey; (ii) support the PCU and PIU in all aspects of implementing the updated social safeguards plans; and (iii) serve as third-party monitor to verify voluntary donations. Specific tasks include:

Resettlement Plan updating and implementation tasks:

- (i) Ensure that due diligence in implementing the RP is carried out for all subprojects;

- (ii) According to the provisions in the RP, prepare materials and strategy for the information campaigns, public consultation and community participation;
- (iii) Prepare the survey materials and method to complete the detailed measurement survey with information from the infrastructure detailed design;
- (iv) Coordinate the detailed measurement survey and updating of the list of affected persons;
- (v) Update the RP, and follow-up to ensure its approval by the Inter-ministerial Resettlement Committee;
- (vi) Brief officials at all levels on the content and procedures for implementing the RP and improve, if necessary, procedures for the coordination of resettlement and compensation;
- (vii) Ensure that mechanisms to address grievances promptly and properly are in place and functioning well;
- (viii) Establish and implement procedures for ongoing internal monitoring, including inclusion of relevant indicators in the project performance management system and project baseline report;
- (ix) Verify the calculations of compensation made by the Provincial and District Resettlement Committee in relation to the provisions of the RP entitlement matrix, and advise the PCU and PIUs on any required measures to take to ensure compensation levels are made according to the RP provisions;
- (x) Design and deliver capacity development activities for all relevant agencies, as needed, in the areas of ADB resettlement, participation and communication and grievance procedures;
- (xi) Train PCU and PIU assigned social safeguard focal persons to carry out internal monitoring and reporting of the RP;
- (xii) Prepare quarterly status reports and period spot checks on the implementation of the RP, to be submitted through the PIU and PCU to ADB.

Third-party resettlement monitoring tasks:

- (i) The third party monitor will assist the PIU prepare a report to ADB which will document that:
 - a. The subproject site is selected in full consultation with land/business owners and any nontitled affected people;
 - b. Voluntary donations do not severely affect the living standards of affected people;
 - c. Voluntary donations are linked directly to benefits for the affected household;
 - d. any voluntary donation will be confirmed through written record and verified by the independent third party s;
 - e. There is an adequate grievance process;
 - f. No affected household will be displaced from housing and severely affected; and
 - g. No affected household is vulnerable.

18. Preferred Qualifications and Experience: An advanced degree in the social sciences, familiarity with ADB's *Safeguard Policy Statement 2009* (SPS 2009) and the related national laws and policies and 3 years of experience supporting RP implementation, preferably on ADB financed projects.

10. National Monitoring and Evaluation Specialist (10 person-months).

19. The National Monitoring and Evaluation Specialist (NMES) will be responsible for working closely with the PCU-based National Project Manager, Team Leader, Deputy Team Leader and safeguards consultants on establishing and building the capacity among relevant PCU, PIU staff to implement a Project Performance Management System (PPMS) to monitor

and evaluate the project during implementation. Specific tasks include:

- (i) Review all relevant project documents, especially the Design and Monitoring Framework (DMF) and safeguards plans;
- (ii) Verifying baseline data for project DMF outcomes and outputs, and specific safeguards indicators as stated in the relevant safeguards plans and confirm data sources;
- (iii) Prepare a project baseline report for indicators identified in the PPMS and safeguards and gender and social development documents, especially regarding the compilation and presentation of the baseline data;
- (iv) Prepare the PPMS, including monitoring and evaluation procedures, tools and implementation arrangements and schedules and reporting protocols;
- (v) Contribute to the project's midterm evaluation and preparation of the EA's project completion report;
- (vi) Provide training for concerned PCU and PIU staff in data collection, analysis and reporting under the PPMS.

20. Preferred Qualifications and Experience: A university degree and technical experience needed to advise and assist the PCU plan and implement project monitoring and evaluation and 5 years professional experience. Experience with working on monitoring and evaluation of ADB or other internationally financed projects in the tourism sector and with ADB PPMS development and implementation will be advantages.

21. The Consultant will produce the following reports in the English language: (i) an inception report within 1 month of mobilization; (ii) brief monthly progress reports to the PCU summarizing progress achieved, difficulties encountered, and issues to be resolved for all components; (iii) quarterly progress reports to the PCU for consolidation and transmission to ADB, within two weeks of the end of each quarter; (iv) midterm cumulative report on project activities in preparation for the project's Midterm Review; (v) a final report on completion of consultant inputs to be submitted to the PCU for consolidation and transmission to the PIUs and ADB within one month of completion of consultant inputs. The Consultant will also assist the PCU prepare the Government's project completion report within three months of physical completion of the project.

C. INDIVIDUAL CONSULTANTS: DESTINATION MANAGEMENT CAPACITY BUILDING SUPPORT

22. The DMCBS consulting services will consist of an estimated 84 person-months (30 person-month international and 54 person-months national) to assist the PCU and PIUs with the implementation of institutional capacity building activities related to destination development and management included in Output 3 and the subregional activities included in Output 4. The DMCBS consultants will be recruited as individual consultants, on the basis of their qualifications for the assignment. Detailed Terms of References for the DMCBS consultants are as follows:

1. International Tourism Specialist/Deputy Team Leader (24 person-months).

23. The International Tourism Specialist/Deputy Team Leader (ITS/DTL) will (i) assist the International Civil Engineer/Team Leader (ICE/TL) in the overall supervision of the international and national consultants and (ii) direct and supervise all aspects of the project's destination management capacity building support (Output 3). In undertaking the assigned tasks, the ITS/DTL will coordinate with appropriate PCU/PIU staff. Specific tasks include:

Project management tasks

- (i) Act in the role of Team Leader in the absence of the ICE/TL;
- (ii) Assist the ICE/TL prepare and regularly review the consultants' personnel schedule to coordinate PCU, PIU and international and national consultants' inputs and respond to changing project circumstances if and when these occur;
- (iii) Coordinate with the ICE/TL to assist the PCU prepare five-year and annual project activity plans and budgets and monitor activity implementation;
- (iv) Contribute to the design and operationalize standard project management and administration systems, procedures and controls in compliance with ADB and Government guidelines and procedures;
- (v) Contribute to the preparation of a Project Performance Monitoring System (PPMS) and project baseline report to ensure destination management capacity development aspects are adequately represented, and assist in confirming baseline data and targets;
- (vi) Lead discussions on output 3 related matters during regular project management team meetings including the international and national consultants and PCU;
- (vii) Cooperation with the ICE/TL in reviewing and consolidating all consultant's reporting submissions and consolidation into integrative high quality reports in accordance with agreed reporting schedules, including quarterly progress reports.
- (viii) With the ICE/TL plan for and develop systems and procedures for sustainable operation and maintenance (O&M) of project supported tourism facilities;
- (ix) Undertake other specific technical management inputs where these may be required.

Destination management capacity building tasks

- (i) Supervise the team of international and national Destination Management Capacity Building Support consultants;
- (ii) Initiate the destination management capacity building activities by assisting the PCU and the consultants in a comprehensive review of all project documentation including detailed activity descriptions and budget allocations, and safeguard requirements as they pertain to destination management capacity building;
- (iii) Assign coordination responsibilities for output 3 activity clusters to international and national consultants, and agree on work plans that include timelines and milestones for each consultant;
- (iv) Ensure good coordination between the PCU, PIU Tourism Teams and the international and national consultants on all aspects of the destination management capacity building project component;
- (v) With the PIU Tourism Teams, coordinate the establishment of destination planning and management frameworks for destination planning;
- (vi) With the PIU Tourism Teams, develop specific capacity strengthening activities at destination level that will ensure the effective implementation of destination management plans (DMPs);
- (vii) Support the PIU Tourism Teams prepare DMPs in close consultation with local stakeholders at project supported destinations;
- (viii) Coordinate with the Public Private Partnership Specialist on the validation and implementation of PPPs for the operation of public tourist facilities and services and the formation of marketing and promotion associations in the project supported tourism destinations;
- (ix) Coordinate the heritage protection, management and interpretation program with the Environmental Specialists, Social Safeguards Specialists, International Archaeologist, International Speleologist, International Heritage Specialist and the PIU Tourism Teams;
- (x) Coordinate with the Micro and Small Enterprise Development consultants to ensure that the planning and implementation of MSE development activities are

- closely integrated with the overall destination development planning and management activities;
- (xi) Direct the marketing and promotion activities and ensure consistency between national marketing and product development efforts and regional initiatives to promote multicountry tours;
 - (xii) Closely support the National Tourism Destination Management and Training Specialist in planning and implementation of activities included in the (i) Public Health and Safety Promotion Program, (iii) Tourism Awareness Program, and (iii) the Program to Combat Child Exploitation and Human Trafficking.
 - (xiii) Coordinate with the Team Leader and support the establishment of a web-based knowledge center, and ensure that all training and knowledge products and marketing and promotional materials produced by the project are systematically uploaded;
 - (xiv) Seek to arrange cooperative partnerships with development partners, NGOs, local communities and the private sector in the implementation of destination management capacity building activities;
 - (xv) Participate in national and subregional fora to report results, share project implementation experiences and compare lessons learnt regarding the destination management component of the project;
 - (xvi) Support the PCU collaborate with counterparts in Lao PDR and Viet Nam, as well as other GMS countries, to harmonize collection, analysis and reporting of GMS tourism statistics, build capacity among relevant NTO staff on the implementation of the uniform reporting formats and to collaborate with the Mekong Tourism Coordination Office on establishing mechanisms for consolidation and publication of GMS tourism statistics;
 - (xvii) In collaboration with the National Tourism Destination Management and Training Specialist, support the PCU collaborate with counterparts in Lao PDR and Viet Nam, as well as other GMS countries, and the Mekong Tourism Coordination Office to implement the project's GMS Marketing and Promotion Program;
 - (xviii) In collaboration with the National Tourism Destination Management and Training Specialist, support the PCU with the implementation of the ASEAN Tourism Standards through development of national certification processes, preparation of training manuals and implementation of training and certification in key tourist destinations.
 - (xix) Undertake other specific tourism development and management technical inputs where these may be required.

24. Preferred Qualifications and Experience: A tourism specialist with an advanced university degree and 10 years of experience on similar multisector projects, a high percentage of which in GMS countries. Experience in Cambodia and with ADB project implementation will be advantages.

2. International Micro- and Small-Enterprise Development Specialist (3 person-months)

25. The International Micro- and Small-Enterprise Development Specialist (IMSEDS) will, supported by the national MSE development specialists, be responsible for planning tourism-related micro- and small-enterprise development interventions in the project supported destinations. Specific tasks include:

- (i) Carry out a detailed study and analysis of tourism value and supply-chains in the destinations selected for MSE development support;
- (ii) Based on the analysis, and in close coordination with the PIU Tourism Team and the social development and safeguards specialists, select specific tourism-related MSEs with the greatest potential to benefit from project support;

- (iii) Design customized training programs for each selected MSE that may include any or all of the MSE development support services available through the project, including: (i) business planning; (ii) facilitating access to microfinance; (iii) training in business management and marketing; (iv) service/production group formation/strengthening; (v) training of trainers and cascade training in hospitality services; (vi) support for product diversification, quality enhancement, and efficient production techniques; (vii) provision of equipment to improve village-based hospitality services; and (viii) marketing, promotion, and business networking;
- (iv) Provide training and capacity building support to the national MSE development consultants and PIU Tourism Teams to carry out implementation of the training programs.

26. Preferred Qualifications and Experience: Relevant technical experience and background to advise and assist the PIUs plan and carry forth MSE development initiatives under the project, 10 years professional experience, of which 5 years on supply and value chain development and/or small business development in the tourism sector in the GMS region. Experience in Cambodia and with ADB project implementation will be advantages.

3. International Heritage Specialist (3 person-months)

27. The International Heritage Specialist (IHS) will, supported by the National Heritage Specialist (NHS), be responsible for preparing and building the capacity within PCU and PIUs to implement the project's Heritage Protection, Management and Interpretation Program included in Output 3, which includes heritage protection awareness campaigns, heritage management planning, heritage guide training and heritage interpretation. Specific tasks include:

- (i) Review project documents, and conduct site visits and consult and coordinate with PIUs to confirm culture and heritage sites to be included in the heritage protection, management and planning and interpretation activities and develop approaches for each site;
- (ii) Support the PIU Tourism Teams and DMOs with the preparation of culture, nature and historic heritage protection measures such as zoning and associated regulations and comprehensive heritage management plans for selected sites;
- (iii) Design and support the PIU Tourism Teams and DMOs with implementation of heritage awareness campaigns for selected project sites and areas;
- (iv) Coordinate with the PIU Tourism Teams and DMOs, and where appropriate with UNESCO, the design and conduct of site specific heritage guide training programs;
- (v) Coordinate with the NHS and PIU Tourism Teams on data collection required for the heritage management planning activities;
- (vi) Coordinate with the NHS and PIU Tourism Teams the collection and compilation of stories, images and objects related to the sites to be interpreted;
- (vii) Work with the NHS, PIU Tourism Teams and DMOs on the preparation of comprehensive heritage management plans for the selected heritage sites, including heritage protection measures such as heritage zoning and associated regulations; site management arrangements; public communication and participation programs and implementation plans;
- (viii) Work with the NHS, PIU Tourism Teams and DMOs on the preparation of comprehensive site interpretation plans for the selected heritage sites that will guide the production of interpretation materials and related training and capacity building activities – such plans may include plans for the development of heritage trails, interpretive signage, leaflets, guidebooks and heritage maps, specific

- heritage guide training materials and activities, heritage educational materials for schools etc.
- (ix) Work with the NHS and PIU Tourism Teams, and where appropriate with UNESCO, on the preparation of manuals for specialized heritage guide training programs for selected sites, and act as trainer/resource person during the implementation of heritage guide training programs when feasible;
 - (x) Provide training and capacity building support to PIU Tourism Teams and other DMO members as appropriate on the implementation of heritage management and interpretation plans.

28. Preferred Qualifications and Experience: A relevant university degree and background to advise and assist the heritage management and interpretation planning and capacity building support, 5 years professional working on cultural and/or natural heritage management and/or interpretation projects, preferably in GMS countries. Experience with heritage management and interpretation activities in Cambodia and an understanding of the Khmer language will be advantages.

4. National Tourism Destination Management and Training Specialist (36 person-months)

29. The National Tourism Destination Management and Training Specialist will support the International Tourism Specialist/Deputy Team Leader (ITS/DTL) in all aspects of the project's destination management capacity building support (Output 3). In undertaking the assigned tasks, the consultant will coordinate with appropriate PCU/PIU staff and other destination management consultants. Specific tasks include:

- (i) Participate in a comprehensive review of all project documentation including detailed activity descriptions and budget allocations, and safeguard requirements as they pertain to destination management capacity building;
- (ii) Coordinate with the national destination management consultants on the preparation of individual work plans that include timelines and milestones;
- (iii) Ensure good coordination between the PCU, PIU Tourism Teams and the national consultants on all aspects of the destination management capacity building project component;
- (iv) Assist with coordinating the establishment of destination planning and management frameworks for destination planning;
- (v) Assist with the development and implementation of specific capacity strengthening activities at destination level that will ensure the effective implementation of destination management plans (DMPs);
- (vi) Provide hands-on assistance to the PIU Tourism Teams in the preparation of DMPs in close consultation with local stakeholders at project supported destinations;
- (vii) Assist the Public Private Partnership Specialist on the identification and implementation of PPPs in the project supported tourism destinations;
- (viii) Collaborate with the MSE Development consultants on the implementation of MSE development activities and ensure these initiatives are incorporated in the DMPs;
- (ix) Support the Tourism TS/DTL in tourism marketing and promotion activities by facilitating access to relevant materials, such as text, photos, maps etc. related to project supported destinations;
- (x) Take the lead in planning and implementing activities included in the (i) Public Health and Safety Promotion Program, (ii) Tourism Awareness Program, and (iii) the Program to Combat Child Exploitation and Human Trafficking, in close coordination with the Gender and Social Development Specialists, Social Safeguards Specialists and the PIU Safeguards Specialists.

- (xi) Assist the ITS/DTL support the PCU collaborate with counterparts in Lao PDR and Viet Nam, as well as other GMS countries, and the Mekong Tourism Coordination Office to implement the project's GMS Marketing and Promotion Program;
- (xii) Assist the ITS/DTL support the PCU with the implementation of the ASEAN Tourism Standards through development of national certification processes, preparation of training manuals and implementation of training and certification in key tourist destinations.
- (xiii) In coordination with the Team Leader and Deputy Team Leader, ensure that all project produced awareness and training materials are systematically uploaded to the project supported web-based knowledge center;
- (xiv) Participate in national fora to report results, share project implementation experiences and compare lessons learnt regarding the destination management component of the project;
- (xv) Undertake other specific tourism development inputs and training activities where these may be required.

30. Preferred Qualifications and Experience: A tourism specialist with a university degree in a relevant field, 8 years professional experience working on international projects, a high percentage of which in the tourism sector. Specific experience with destination management capacity building and developing and implementing training programs will be advantages.

5. National Tourism Micro- and Small-Enterprise Value Chain Specialist (3 person-months)

31. The National Tourism Micro- and Small-Enterprise Value Chain Specialist will assist the International MSE Development Specialist with the value chain analysis for the planning of tourism-related micro- and small enterprise development interventions in the project supported destinations. Specific tasks include:

- (i) Assist with the development of survey tools, data collection, processing and analysis for a detailed study and analysis of tourism value and supply-chains in the destinations selected for MSE development support;
- (ii) Assist with the selection of specific tourism-related MSEs with the greatest potential to benefit from project support;
- (iii) Assist the with the preparation of a detailed report that sets out customized training programs that may include any or all of the MSE development support services available through the project, including: (i) business planning; (ii) facilitating access to microfinance; (iii) training in business management and marketing; (iv) service/production group formation/strengthening; (v) training of trainers and cascade training in hospitality services; (vi) support for product diversification, quality enhancement, and efficient production techniques; (vii) provision of equipment to improve village-based hospitality services; and (viii) marketing, promotion, and business networking;
- (iv) Assist with the implementation of MSE-support training programs.

32. Preferred Qualifications and Experience: Relevant technical experience and background to advise and assist the PIUs plan and carry forth MSE development initiatives under the project, 5 years professional experience and experience with supply and value chain development and/or small business development. Experience with ADB project implementation is an advantage.

6. National Tourism Micro- and Small-Enterprise Development Specialist (12 person-months)

33. The National Tourism Micro- and Small-Enterprise Development Specialist will assist the International MSE Development Specialist with the planning of tourism-related micro- and small enterprise development interventions in the project supported destinations, and is responsible for supporting the PIUs with the subsequent implementation of these programs. Specific tasks include:

- (i) Assist with data collection, processing and analysis to produce a detailed study of tourism value and supply-chains in the destinations selected for MSE development support;
- (ii) Assist with the selection of specific tourism-related MSEs with the greatest potential to benefit from project support;
- (iii) Assist with the preparation of a detailed report that sets out customized training programs that may include any or all of the MSE development support services available through the project, including: (i) business planning; (ii) facilitating access to microfinance; (iii) training in business management and marketing; (iv) service/production group formation/strengthening; (v) training of trainers and cascade training in hospitality services; (vi) support for product diversification, quality enhancement, and efficient production techniques; (vii) provision of equipment to improve village-based hospitality services; and (viii) marketing, promotion, and business networking;
- (iv) Build capacity within the PIU Tourism Teams to carry out implementation of the project-supported training programs;
- (v) Under the supervision of the National Tourism Destination Management and Training Specialist, provide ongoing hands-on support to the PIU Tourism Teams during the implementation of the training programs, including with the identification of trainers, partner organizations, development of training materials and the collection of monitoring data on the results of the training programs.

34. Preferred Qualifications and Experience: Relevant technical experience and background to advise and assist the PIU plan and carry forth MSE development initiatives under the project, 5 years professional experience and experience with small business development in the tourism, handicraft or agricultural sectors. Experience with ADB project implementation is an advantage.

7. National Heritage Specialist (3 person-months)

35. The National Heritage Specialist (NHS) will assist the International Heritage Specialist (IHS) with preparing and building the capacity within PCU and PIUs to implement the project's Heritage Protection, Management and Interpretation Program included in Output 3, which includes heritage protection awareness campaigns, heritage management planning, heritage guide training and heritage interpretation. Specific tasks include:

- (i) With the IHS, review project documents, and conduct site visits and consult and coordinate with PIUs to confirm culture and heritage sites to be included in the heritage protection, management and interpretation activities and develop approaches to their management and interpretation;
- (ii) Assist the IHS support the PIU Tourism Teams and DMOs with the preparation of culture, nature and historic heritage protection measures such as zoning and associated regulations and comprehensive heritage management plans for selected sites;
- (iii) Assist the IHS support the PIU Tourism Teams and DMOs with implementation of heritage awareness campaigns for selected project sites and areas;
- (iv) Assist the HIS coordinate with the PIU Tourism Teams and DMOs, and where appropriate with UNESCO, the design and conduct of site specific heritage guide training programs;

- (v) Assist the IHS with coordination with the NHS and PIU Tourism Teams on data collection required for the heritage management planning activities;
- (vi) Coordinate with the PIU Tourism Teams the collection and compilation of stories, images and objects related to the sites to be interpreted;
- (vii) Assist the IHS and support the PIU Tourism Teams and DMOs with the preparation of comprehensive heritage management plans for the selected heritage sites, including heritage protection measures such as heritage zoning and associated regulations; site management arrangements; public communication and participation programs and implementation plans;
- (viii) Assist the IHS and support the PIU Tourism Teams and DMOs with the preparation of comprehensive site interpretation plans for the selected heritage sites that will guide the production of interpretation materials and related training and capacity building activities- such plans may include plans for the development of heritage trails, interpretive signage, leaflets, guidebooks and heritage maps, specific heritage guide training materials and activities, heritage educational materials for schools etc.
- (ix) Assist the IHS and PIU Tourism Teams on the preparation of manuals for specialized heritage guide training programs for selected sites, and act as trainer/resource person during the implementation of heritage guide training programs when feasible;
- (x) Provide training and capacity building support to PIU Tourism Teams and other DMO members as appropriate on the implementation of heritage management and interpretation plans.

36. Preferred Qualifications and Experience: A relevant university degree and background to advise and assist PIUs with heritage management and interpretation planning and to provide capacity building support, 5 years professional experience, preferably working on cultural and/or natural heritage management and/or interpretation projects and a good understanding of the English language. Experience with ADB project implementation is an advantage.

37. In addition to the position specific outputs described in the detailed tasks, each individual consultant shall produce and submit to the PCU and Team Leader the following progress reports using agreed templates: (i) an inception report, including a detailed workplan for the duration of the contract within 0.5 month of mobilization; (ii) brief monthly progress reports to the PCU and Team Leader summarizing progress achieved, difficulties encountered, and issues to be resolved; and (iii) a final report to be submitted within one month of completion of the assignment.

D. INDIVIDUAL CONSULTANTS: FINANCIAL MANAGEMENT AND PROCUREMENT SUPPORT

38. The FPMS consulting services will consist of an estimated 33 national person-months to assist the PCU and PIUs with the establishment of the project's financial management systems, procurement, and consultant recruitment. The consultants will be recruited as individual consultants, on the basis of their qualifications for the assignment.

1. National Procurement Specialist (6 person-months).

39. The National Procurement Specialist will work closely with the PCU and liaise with the ADB to ensure that procurement guidelines of the ADB and the Government are applied and implemented efficiently and effectively. Specific tasks include:

- (i) In consultation with the PCU, develop bid evaluation criteria and tender documents for the procurement of goods, works and services in accordance with ADB guidelines;
- (ii) Establish a system for safekeeping of tender documents, minutes of committee meetings, contracts and financial and audit reports;
- (iii) Conduct a procurement training needs assessment for the PCU and PIUs, focusing on their ability to carry out procurement in line with ADB and Government guidelines;
- (iv) Based on the training needs assessment, develop and conduct a procurement training program for PCU and PIU staff to improve their capability to carry out procurement in line with ADB and Government guidelines;
- (v) Prepare monitoring and evaluation reports on procurement matters for submission to the PCU;
- (vi) Provide ongoing support to PCU Financing Coordinator (MEF), Financial Controller and Procurement Officer and the PIU Finance Officers on all procurement matters.

40. Preferred Qualifications and Experience: A bachelor's degree in public administration, finance or other relevant field, with 5 years of work experience on internationally financed projects and experience with national public procurement systems. Experience with ADB project implementation will be an advantage.

2. National Financial Management Specialist (27 person-months).

41. The National Financial Management Specialist will work closely with the PCU and PIUs and liaise with the ADB to ensure that financial management guidelines of the ADB and the Government are applied and implemented efficiently and effectively. Specific Tasks include:

- (i) Review, develop and complete the terms of reference (TOR) for audit institution as required by the ADB;
- (ii) Coordinate with the PCU to develop suitable accounting systems, chart of accounts, procure if necessary, accounting software that is acceptable to the ADB and the government to ensure effective and efficient accounting, monitoring and reporting of all financial transactions;
- (iii) Develop a financial management manual for the project and facilitate its translation into Khmer language;
- (iv) Conduct a financial management training needs assessment for the PCU and PIUs, focusing on ability to implement internationally acceptable accounting systems and procedures, internal controls, and financial planning and reporting.
- (v) Based on the training needs assessment, develop and conduct a financial management training program for PCU and PIU staff to improve their capability to implement internationally acceptable accounting systems and procedures, internal controls, and financial planning and reporting;
- (vi) Provide ongoing support to PCU Financing Coordinator (MEF), Financial Controller and Procurement Officer and the PIU Finance Officers and Accountants throughout the project's implementation period on all financial management matters.

42. Preferred Qualifications and Experience: A bachelor's degree in public administration, finance or other relevant field, with 5 years of work experience on internationally financed projects. The consultant will be a professionally certified accountant. Experience with ADB or other internationally financed project implementation will be an advantage.

DESIGN AND MONITORING FRAMEWORK

| Design Summary | Performance Targets and Indicators with Baselines | Data Sources and Reporting Mechanisms | Assumptions and Risks |
|--|---|--|---|
| <p>Impact</p> <p>Increased tourism employment for people living in underdeveloped segments of the GMS Southern Coastal Corridor</p> | <p>By 2025:</p> <p>Aggregate tourism employment in the three project provinces is 22,000</p> <p>60% of jobs created are held by women</p> <p>60% of jobs created are salaried and accessible to lower-educated workers ^a (2012 baseline: 5,000 jobs) ^b</p> | <p>MOT Tourism Statistics Report</p> <p>WTTC Travel and Tourism Economic Impact Report</p> | <p>Assumptions</p> <p>Residents of project areas continue to seek employment in the tourism sector</p> <p>Equal access to opportunities, resources, assets, and decision making</p> |
| <p>Outcome</p> <p>Increased tourism receipts in Kampot, Kep, and Koh Kong</p> | <p>By 2019:</p> <p>Aggregate annual international tourism receipts in the three project provinces equals \$60 million (2012 baseline: \$15 million)</p> | <p>MOT Tourism Statistics Report</p> <p>Completion report</p> | <p>Assumptions</p> <p>Government continues to support policies that facilitate travel, tourism, and regional tourism cooperation</p> <p>Responsible agencies effectively implement destination management plans</p> <p>Risk</p> <p>Ineffective financial management undermines infrastructure O&M</p> |
| <p>Outputs</p> <p>1. Last-mile tourism access infrastructure improved</p> | <p>By 2019:</p> <p>Kampot pier constructed with embankment stabilization, customs and immigration facilities, administration offices, commercial space, utilities, sanitation, and 6.5-kilometer access road, benefiting at least 12,000 residents and 119 local tourism enterprises</p> <p>Kampot pier services 360,000 passengers annually</p> | <p>Project progress reports</p> <p>End of project impact evaluation</p> <p>Completion report</p> | <p>Assumption</p> <p>Infrastructure is suitably constructed for dual use by tourists and residents</p> <p>Risks</p> <p>Delays in civil works procurement and safeguards implementation</p> <p>Lack of private sector interest in operating ferry services at Kampot pier</p> |
| <p>2. Environmental services in cross-border tourism centers improved</p> | <p>By 2019:</p> <p>500 cubic meters per day wastewater treatment facility installed at Kep crab market with connections and maintenance equipment; expanded market structure, additional public toilets, drainage, parking, and public space constructed with improved sanitation benefitting at least 330 fixed and mobile vendors, 12,700 residents, and 800,000 visitors annually</p> | <p>Project progress reports</p> <p>End of project impact evaluation</p> <p>Completion report</p> | <p>Assumption</p> <p>Residents and tourists are willing to pay for improved environmental services</p> <p>Risk</p> <p>Delays in civil works procurement and safeguards implementation</p> |
| <p>3. Institutional capacity to promote inclusive tourism growth strengthened</p> | <p>By 2019:</p> <p>Four DMOs formed with systems and procedures in place to implement destination management plans (women hold 40% of DMO management positions)</p> <p>At least 80% of newly constructed vendor space in project facilities is allocated to women</p> <p>Awareness of heritage protection measures, health and safety, and tourism impacts increases among 4,500 people</p> | <p>Project progress reports</p> <p>End of project impact evaluation</p> <p>Completion report</p> | <p>Assumption</p> <p>Public and private entities maintain their commitment to improve destination management</p> <p>Risk</p> <p>Lower-than-expected tourist arrivals undermine private sector and community interest in operating tourism</p> |

| Design Summary | Performance Targets and Indicators with Baselines | Data Sources and Reporting Mechanisms | Assumptions and Risks |
|---|--|---|--|
| | <p>(50% of whom are women)</p> <p>375 micro, small, and medium-sized enterprise operators (60% of whom are women) gain access to professional tourism-related business support services and microfinance</p> <p>At least three service enterprises are operating tourist attractions or services under a public–private partnership</p> | | services |
| 4. Effective project implementation and knowledge management | <p>By 2019:</p> <p>PCU and PIU staff possess the knowledge, skills, and equipment needed for effective project management (at least 25% of PCU and PIU staff are women)</p> <p>12 new gender-inclusive knowledge products published to Cambodia’s web-based tourism knowledge center</p> <p>20% of tourism enterprises in the three project provinces meet ASEAN tourism standards</p> <p>Collection and reporting of tourism statistics by GMS national tourism organizations in harmonized format</p> <p>At least three joint marketing activities undertaken annually in cooperation with another GMS country (2012 baseline: one event)</p> <p>Well-maintained infrastructure in accordance with O&M plans</p> <p>PCU and PIU staff effectively implement gender-sensitive PPMS, with sex-disaggregated data reporting</p> | <p>Project progress reports</p> <p>Internet search</p> <p>GMS TWG summary of proceedings</p> <p>End of project impact evaluation</p> <p>Completion report</p> | <p>Assumptions</p> <p>Suitably qualified staff is appointed full time to the PCU and PIUs</p> <p>Timely recruitment of qualified consultants</p> <p>Risk</p> <p>Asynchronous implementation of regional activities</p> |
| Activities with Milestones | | Inputs | |
| <p>1. Last-mile tourism access infrastructure improved</p> <p>1.1 Prepare detailed civil works design and bidding documents by Q1 2016</p> <p>1.2 Approve updated safeguards documents (IEEs and resettlement plan) by Q1 2016</p> <p>1.3 Complete land acquisition and resettlement by Q4 2015</p> <p>1.4 Award civil works contracts by Q3 2016</p> <p>1.5 Complete civil works and supply equipment by Q1 2018</p> <p>2. Environmental services in cross-border tourism centers improved</p> <p>2.1 Prepare detailed civil works design and bidding documents by Q1 2016</p> <p>2.2 Approve updated safeguards documents (IEEs and resettlement plan) by Q1 2016</p> <p>2.3 Complete land acquisition and resettlement by Q4 2015</p> <p>2.4 Award civil works contracts by Q3 2016</p> <p>2.5 Complete civil works and supply equipment by Q4 2017</p> <p>3. Institutional capacity to promote inclusive tourism growth strengthened</p> <p>3.1 Prepare destination management plans by Q1 2016</p> <p>3.2 Implement heritage protection and interpretation program, Q1 2015–Q4 2018</p> <p>3.3 Implement micro and small enterprise support program, Q1 2015–Q4 2018</p> <p>3.4 Implement health, safety, and tourism-awareness programs, Q1 2015–Q4 2018</p> <p>3.5 Facilitate establishment of public–private partnerships, including establishment of Kampot pier management authority Q2 2015–Q4 2018</p> <p>3.6 Implement national marketing and promotion program, Q2 2015–Q4 2018</p> <p>3.7 Implement program to combat child exploitation and human trafficking, Q2 2015–Q4 2018</p> | | <p>Loan</p> <p>ADB: \$18,000,000</p> <p>Government: \$770,000</p> | |

| | |
|---|--|
| <p>4. Effective project implementation and knowledge management</p> <p>4.1 Establish project steering committees, PCU, and PIUs by Q3 2014</p> <p>4.2 Mobilize consultants and procure PCU and PIU equipment by Q1 2015</p> <p>4.3 Implement training on financial management by Q1 2015</p> <p>4.4 Finalize and train PIU and PCU staff to implement comprehensive sex-disaggregated PPMS, including safeguards monitoring, Q1 2015–Q2 2019</p> <p>4.5 Establish and maintain web-based knowledge center, Q2 2015–Q2 2019</p> <p>4.6 Implement the gender action plan, IEE and environmental management plans, and resettlement plan, Q1 2015–Q2 2019</p> <p>4.7 Implement GMS marketing and statistics harmonization programs, Q2 2015–Q2 2019</p> <p>4.8 Implement ASEAN tourism standards program, Q2 2015–Q2 2019</p> <p>4.9 Approve and implement O&M plans with sustainable finance mechanisms, Q4 2016–Q2 2019</p> <p>4.10 Update baseline information and prepare end-of-project impact evaluation, Q1 2015–Q2 2019</p> | |
|---|--|

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, DMO = destination management organization, GMS = Greater Mekong Subregion, IEE = initial environmental examination, MOT = Ministry of Tourism, O&M = operation and maintenance, PCU = project coordination unit, PIU = project implementation unit, PPMS = project performance management system, TWG = Tourism Working Group, WTTC = World Travel and Tourism Council.

Notes:

1. Baseline year is 2012 and baseline figures are zero unless otherwise indicated.
 2. Progress reports comprise quarterly, annual, midterm, and the government's completion report.
 3. Numbers may not sum precisely because of rounding.
- ^a Workers who have completed or have some primary education only.
- ^b Based on receipts to job ration of \$2,834 =1 job in 2012 and \$5,326 =1 job in 2025.

Source: Asian Development Bank.

WEIGHTED IMPLEMENTATION PLAN TEMPLATE (dates to be shifted during inception mission)

| Activities | 2014 | | 2015 | | | | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | (a) Assigned weight (%) | (b) Actual Progress (%) | (a) x (b) Weighted Progress (%) | |
|---|--------|----|------|----|--------|----|------|----|--------|----|------|----|--------|----|------|----|--------|----|------|----|----|----|----|----------------------------|----------------------------|------------------------------------|-------|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | Q1 |
| Project year | Year 1 | | | | Year 2 | | | | Year 3 | | | | Year 4 | | | | Year 5 | | | | | | | | | | |
| Project quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | | | | | | | |
| Output 1. Last-mile tourism access infrastructure improved | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1 Prepare detailed civil works design and bidding documents | | | | | | | | | | | | | | | | | | | | | | | | | 15.00% | 0.00% | 0.00% |
| 1.2 Approval of updated safeguards documents (IEE and RP) | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 1.3 Complete land acquisition and resettlement if necessary | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 1.4 Civil works contracts awarded | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| 1.5 Civil works completed and equipment supplied | | | | | | | | | | | | | | | | | | | | | | | | 30.00% | 0.00% | 0.00% | |
| Output 2. Environmental Services in cross-border tourism centers improved | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.1 Prepare detailed civil works design and bidding documents | | | | | | | | | | | | | | | | | | | | | | | | 5.00% | 0.00% | 0.00% | |
| 2.2 Approval of updated safeguards documents | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 2.3 Complete land acquisition and resettlement if necessary | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 2.4 Civil works contracts awarded | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| 2.5 Civil works completed and equipment supplied | | | | | | | | | | | | | | | | | | | | | | | | 10.00% | 0.00% | 0.00% | |
| Output 3. Institutional capacity to promote inclusive tourism growth strengthened | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.1 Destination management plans prepared | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| 3.2 Implement heritage protection and interpretation program | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| 3.3 Implement micro- and small enterprise support program | | | | | | | | | | | | | | | | | | | | | | | | 4.00% | 0.00% | 0.00% | |
| 3.4 Implement health, safety and tourism awareness programs | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 3.5 Facilitate establishment of public-private partnerships | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 3.6 Implement national marketing and promotion program | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 3.7 Implement program to combat child exploitation and human trafficking | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| Output 4. Effective project implementation and knowledge management. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.1 Establish project steering committees | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 4.2 Mobilize consultants and procure PCU/PIU equipment | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 4.3 Implement training on financial management | | | | | | | | | | | | | | | | | | | | | | | | 1.00% | 0.00% | 0.00% | |
| 4.4 Finalize and train PIU/PCU staff to implement comprehensive sex disaggregated PPMS, including safeguards monitoring | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| 4.5 Establish and maintain web-based knowledge center | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| 4.6 Implement gender action plan | | | | | | | | | | | | | | | | | | | | | | | | 3.00% | 0.00% | 0.00% | |
| 4.7 Implement GMS marketing and statistics harmonization programs | | | | | | | | | | | | | | | | | | | | | | | | 3.00% | 0.00% | 0.00% | |
| 4.8 Implement ASEAN tourism standards program | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| 4.9 Approve and implement O&M plans with sustainable finance mechanisms | | | | | | | | | | | | | | | | | | | | | | | | 3.00% | 0.00% | 0.00% | |
| 4.10 Update baseline information and prepare end of project impact evaluation | | | | | | | | | | | | | | | | | | | | | | | | 2.00% | 0.00% | 0.00% | |
| | | | | | | | | | | | | | | | | | | | | | | | | Total | 100.00% | 0.00% | |

TOR FOR ANNUAL AUDIT OF PROJECT FINANCIAL STATEMENTS

(Template) Standardized Terms of Reference for External Financial Audit Services (Auditor) of Annual Project Financial Statements³⁶

A. Project Background

1. Please refer to Annex 1 (attached to this TOR), the following information:
 - a. Project Background
 - b. Project Description
 - c. The Executing and Implementing Agencies (EA/IAs)

B. Accounting and Financial Management

2. A financial management manual shall be developed by the international financial management specialist in close coordination with EA staff within the first three months of the project implementation period.

C. Objective

3. The objective of audit assignment is to ensure that ADB, on an annual basis, is provided with the following reliable, comprehensive, and timely information: (i) Audited Project Financial Statements (APFS); (ii) Specific additional audit opinions; and (iii). Management Letter. ADB requires these documents to be provided in English.

D. Scope of Work³⁷

D.1. APFSs: Financial Statement to be audited³⁸:

4. The EAs/IAs is responsible for preparation and consolidation of APFSs. The Auditor is to express an opinion on the accompanying statements based on the audit. The accounting standard adopted should be specified in the annual audited financial statements. The content of the financial statements is expected to include, as a minimum (refer to: Annex 4-part B, attached to this TOR for a sample list of requested document.):
 - a. A Summary of all sources of funds, as well as expenditures against a classification system that is responsive to the project's objectives both for the

³⁶ This template of TOR is appropriate for APFS audit. It should be completed by the borrower, Executing Agency (EA) or Implementing Agency (IA) and provided to ADB for comments before implemented. This template can be applied to the audit of either a revenue-earning or non-revenue-earning project.

³⁷ The auditor should be sufficiently clear with the scope of the audit to properly define what is expected of the auditor. The EA should not restrict the audit procedures or the techniques the auditor may wish to use to form an opinion. The TOR will not generally have to be customized to a particular audit situation. The list of issues outlined in the TOR is not exhaustive, nor should all matters be addressed in every project. The scope and detail of an audit are likely to be unique for each project.

³⁸ The form of the APFS and supporting documentation that will be supplied to the auditor, and on which they are to give an opinion and a report, should be specified. In practice, the form and content of APFS will vary among countries and projects. For instance, the APFS may comprise a Statement of Receipts and Payments only on project transactions. Other schedules may include cumulative work-in-progress, assets and inventories, and summarized bank reconciliation. The estimated time for providing these documents to the auditor should be stated (e.g., one month after financial year-end). This schedule helps the auditee and the auditor plan for the accounts-preparation and the audit process

current fiscal year and cumulative to date, showing ADB funds and counterpart fund and funding from other sources separately;

- b. A Summary of Expenditures shown under the main project components and by main categories of expenditures, both for the current fiscal year and accumulated to date;
- c. A Balance Sheet showing Accumulated Funds of the Project, bank balances, other assets of the project, and liabilities, if any;
- d. Supporting schedules to the financial statements which at least include: (i) a reconciliation of the amounts shown as “received by the project from the ADB” with those shown as being disbursed by ADB; and (ii) Statement of Expenditures (SOE) procedure (if applicable) listing individual SOE withdrawal applications by specific reference number and amount.

5. In addition to the audit of the project financial statements, the Auditor is required to audit all SOEs as the basis for the submission of the Withdrawal Applications to ADB. The Auditor should apply such tests and controls as the Auditor considers necessary under the circumstances. These expenditures should be carefully compared for project eligibility with the relevant loan agreement for guidance when considered necessary. Where ineligible expenditures are identified as having been included in Withdrawal Applications and reimbursed against, these should be separately noted by the Auditor. A note to the Project Financial Statements should be a schedule listing individual SOE withdrawal applications by specific reference number and amount. The total withdrawals under the SOE procedure should be part of the overall reconciliation of ADB disbursements described above.

6. Imprest Account/Sub Account statement showing movement and reconciliation with the bank statements. The Auditor is also required to audit the activities of the Imprest Accounts/Sub Accounts associated with the Project that usually comprise of:

- a. Deposits and replenishments received from ADB;
- b. Payments substantiated by withdrawal applications;
- c. Interest that may be earned from the balances and which belong to the Borrower
- d. The remaining balances at the end of each fiscal year.

7. The Auditor must form an opinion as to the degree of compliance with ADB’s procedures and the balance of the EAs at year-end. The audit should examine the eligibility and correctness of financial transactions during the period under review and fund balances at the end of such a period, the operation and use of the IAs in accordance with the financing agreement, and the adequacy of internal controls for this type of disbursement mechanism.

8. The Accounting Policies adopted and Explanatory notes. A Management Assertion that ADB funds have been expended in accordance with the intended purposes. Request for form of Annual Project Financial Statements (extracted from PAI 5.07 revised on Jun.2012) including, but not limited to:

- a. Annual project financial statements should normally be presented in the local currency, with the basis for conversion of any foreign exchange transactions or commitments explicitly stated.
- b. The annual project financial statements should be presented in the English language and should reflect the operations supported by ADB financing, including ADB-administered funds.

- c. The project expenditures should be presented following the expenditure categories contained in the legal agreement and/or the PAM, and revisions thereto.
- d. The annual project financial statements should include comparative figures for the preceding reporting year and cumulative figures from the loan effectiveness date to the end of the current reporting year. For projects that receive funding from other sources, the annual project financial statements should include all sources of funds (both ADB-provided and otherwise).
- e. The accompanying Notes to Financial Statements should provide sufficient explanation and information on the financials in narrative form or appropriate supporting schedules, including description of key financial reporting policies.
- f. For projects where separate and distinct components are being administered by the EA and/or several implementing agencies (IAs) each agency should prepare separate project financial statements reporting on the funds they are administering.
- g. Financial statements should be prepared in accordance with accrual based financial reporting standards.
- h. The agreed financial reporting and auditing arrangements will be set forth in the legal agreement and detailed in the PAM.

D.2. Specific additional audit opinions:

9. The auditors are engaged to provide an independent and objective opinion on whether the financial statements present a true and fair view, in all material respects, in accordance with the applicable financial reporting framework. The auditors should also form an opinion from the audit evidence obtained, and clearly express that opinion through a written report. The auditor's opinion is necessary to establish the credibility of the project financial statements. The objective of the audit of the annual project financial statements (APFS) is to enable the auditor to provide opinion(s) covering:

- a. Use of loan proceeds - to confirm whether the borrower or EA has utilized all proceeds of ADB's loan or grant only for purposes of the project;
- b. Compliance with financial covenants: (Please refer to: Annex 3 attached to this TOR, where applicable) - to confirm or otherwise, that the borrower or EA was in compliance with the financial covenants of the loan or grant agreement.
- c. Compliance with the imprest fund procedure which includes imprest account(s) and sub-account(s) (where applicable) - to confirm or otherwise, whether the imprest account (and sub-accounts) gives a true and fair view of the receipts collected and payments made and supports imprest and sub-account-liquidations and replenishments during the year.
- d. Compliance with the Statement of Expenditure (SOE) procedures (where applicable) - to confirm or otherwise, whether adequate supporting documentation has been maintained to support claims to ADB for reimbursement of expenditures incurred and that the expenditures are eligible for financing under the loan or grant agreement.

D.3. Management Letter

10. ADB requires the EA/IAs to provide a copy to provide a copy of the auditor's Management Letter, together with the APFS/AFS. At the minimum, this should include:

- a. a general overview of the internal control systems of the project and the EA, or an opinion on the management systems;

- b. an identification of material deficiencies or weaknesses in the project or EA/IAs' internal controls over financial reporting or on the overall system of internal control;
- c. the auditor's recommendations for improvements or for rectification of identified weaknesses;
- d. the client's comments on the findings and recommendations; and
- e. follow-up action/s or status to previously identified issues and findings, if any.

11. In cases where a management letter is not received for the entity as a whole, then a management letter covering internal controls and procedures associated with the preparation of the project financial statements is required and should be submitted together with the APFS. When significant weaknesses come to attention of the auditor during the course of audit that are not reflected in the audit opinion, they should be reported in a management letter as follows;

- a. A description of specific internal control weaknesses noted in the financial management and recommendations to resolve/eliminate the internal control weaknesses;
- b. Inappropriate accounting policies and practices and effectiveness of the accounting
- c. records system in providing useful and timely information for proper management of the program/and project;
- d. Issues regarding general compliance with broad covenants on each financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- e. Report significant matters raised in previous reports which have not been dealt with effectively
- f. Any other matters that the auditor considers should be brought to the attention of the borrower.
- g. A time bound actions plan that have been agreed with the management to address each of the individual issue, including date of completion, and person(s) responsible for implementation of the action plan.

E. Locations to be Audited:

12. ADB funded projects in Cambodia often include central level, provincial and even lower levels. The auditors may have to travel to all lower levels to do the audit. If it is the case, the TOR should specify the provinces where Auditors must visit.

F. Phasing of the Audit:

13. The TORs must specific in the following table when the report will be submitted in draft and in final format:

Month of fiscal year (FY) and report submission

| Period | FY start | FY End | Report Submission | Remarks |
|--------|----------|--------|-------------------|---------|
| 1 | | | | |
| 2 | | | | |
| | | | | |
| | | | | |

14. Although the auditing firm will be contracted for the mentioned audit phases (maximum three years per contract), it must submit the financial proposal in US\$ in a format indicating the amount for each financial year independently: (i) If performance is not satisfactory in one year then the client will not be bound for subsequent year's audits; and (ii) If the performance is satisfactory, the auditor may participate in bidding process for the next fiscal years, but the total assignment should be up to 6 years for one project.

G. Auditing Requirements:

15. The audit will be carried out in accordance with International Standards of Auditing including:

- a. planning and conducting the audit in accordance with a risk based framework with a detailed audit work program which is sufficiently extensive in its coverage of the project's FS to support the opinion given.
- b. the auditor will gather evidence and prepare working papers to properly documents the evidence seen in support of the opinion given, sufficient audit evidence will be gathered to substantiate in all material respects the accuracy of the information contained in supporting schedules attached to the FS.
- c. the auditor will review and evaluate the system of internal controls in effect, including internal audit procedures, to determine the degree of reliance that may be placed upon them and to determine the extent of testing of actual transactions needed to assure the auditor of the accuracy of the accounting records,
- d. the audit coverage will consider the risk of material misstatement(s) as a result of fraud or error. The audit program should include procedures that are designed to provide reasonable assurance that material misstatements (if any) are detected.
- e. the auditor must obtain an understanding of the design and operation of internal control over compliance with requirements that could have a direct and material financial effect on the funding agreements. The auditor's work in this area is in addition to the consideration of internal control over financial reporting that is part of the FS audit. Specifically, the auditor must obtain an understanding of the internal control over compliance that is sufficient to plan the audit to support a low assessment level of control risk for donor program. The auditor needs to test the internal control unless the internal control is likely to be ineffective in preventing or detecting noncompliance.

16. The auditor need also review the following:

- a. ADB financing (and expand to all external financing where ADB is not the only financier) shall be used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided, as detailed in the supporting documents
- b. Counterpart funds shall be provided and used in accordance with the relevant loan agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- c. Goods, works and services financed shall be procured in accordance with the relevant financing agreements including specific provisions of the ADB Procurement Policies and Procedures and relevant laws of Borrower. However, in case there are conflicts between ADB policies and procedures with Borrower's relevant laws, ADB policies and procedures will prevail. Fixed assets procured by all financiers shall be reviewed;

- d. The expenditures submitted to ADB shall be eligible for financing and all necessary supporting documents, records, and accounts in support of credit withdrawals have been adequately maintained with clear linkages between the books of account and reports presented to ADB;
- e. Funds disbursed through SOEs shall be utilized for the purposes defined in the funding agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor;
- f. Imprest Accounts and sub-accounts, (if used) shall be maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the account were used only for the purpose intended in the financing agreement and other supporting documents.

H. Accounting Policies and Changes.

17. The auditor should comment on the project's accounting policies, and confirm the extent to which the agreed project accounting policies have been applied. In particular, the auditor should note the impact on the APFS arising from any material deviations from the agreed accounting standards. The auditor should also comment on any accounting policy changes, either during a financial year, or from one year to another.

I. Compliance with laws, regulations and funding agreements:

18. The auditor should be aware of the unique characteristics of the compliance auditing environment. Governments and not-for-profit organizations differ from commercial enterprises in that they may be subject to diverse compliance requirements including its compliance with financial covenants and financial assurances.

19. Management is responsible for ensuring compliance with relevant laws, regulation and funding agreements. That responsibility encompasses the identification of applicable laws, regulations and funding agreements and the establishment of internal control designed to provide reasonable assurance that the auditee complies with those laws, regulations and funding agreements.

20. In addition to the opinion on the FSs, the auditor should provide an opinion on whether the auditee complied with laws, regulations and provision of contracts and funding agreements that have a direct and material financial effect on the project financial statements. The auditor should prepare a report with separate schedule of findings and questioned costs. The scope of the audit should also refer to compliance with the Procurement procedures as set out in the funding agreements.

J. Responsibility to Consider Fraud in an Audit:

21. The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and with management. It is important that management, with the oversight of those charged with governance, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. It is the responsibility of those charged with governance of the entity to ensure, through oversight of management, that the entity establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws, regulations and funding agreements. To do that, management is responsible for establishing a control environment and maintains policies and procedures to assist in achieving the objectives of ensuring the orderly and efficient conduct of the entity's operation.

22. Therefore, in order to ensure that those assertions are addressed in the audit of the entity, it is important that auditors must follow International Standards of Auditing (ISA 240) "The Auditor's Responsibility to consider Fraud in an Audit of Financial Statements.

K. Audit Report

23. The auditor should become familiar with the following documents: Guideline for the financial governance and management of investment projects financed by the Asian Development Bank; and the Loan Disbursement Handbook. The Auditor's reports on the projects financial statements should be prepared in 08 copies (04 in English and 04 in Khmer)³⁹ and mentions the following matters:

- a. A title identifying the person or persons to whom the report is addressed;
- b. An introductory paragraph identifying the financial statements audited;
- c. Separate sections, appropriately headed dealing with respective responsibilities of directors (or equivalent persons),
- d. The basis of the Auditor's opinion,
- e. The Auditor's opinion on the financial statements, SOEs and IAs/SAs;
- f. The manuscript or printed signature of the Auditor; and
- g. The date of the Auditor's report.

24. The audit report is required to include separate audit opinions on the Financial Statements (as described in part D. the Scope). This would include at least the following:

- a. the audit report will state the purpose of the report and its intended use,
- b. the audit report will state which/whose generally accepted accounting standards have been applied and indicate the effect of any deviations from those standards,
- c. the audit report will state that the audit was conducted in accordance with ISAs,
- d. the audit opinion will cover the current period,
- e. the audit opinion will state whether or not the financial statements presents fairly in accordance with the adopted accounting policies for the project and that the funds were utilized for the purposes defined by the funding agreements,
- f. the audit opinion will cover in all material respects the supporting schedules,
- g. the auditor should provide an opinion on whether the Project complied with applicable laws, regulations and the Procurement procedures and other provisions of the funding agreements that have a direct and material financial effect on the Project's financial report,
- h. the auditor should provide an opinion on the effectiveness of internal control over compliance with requirements that could have a direct and material financial effect on the financial statements as well as internal control over financial reporting.

L. Available Information and Services to be Provided to the Auditor:

25. Please refer to: Annex 4 attached to this TOR for a sample list of requested documents by Auditor. These include:

³⁹ The auditing firm must take note that audited financial statements, audit report and the management letter prepared by the Auditor, should be received by ADB no later than six months after the end of the accounting period (i.e., normally no later than June 30). The Auditor should therefore submit, on a timely basis, audit report, management letter and the relevant documentation to the EAs/IAs to meet this requirement. The EAs/IAs will be responsible for forwarding two copies of the audited project financial statements, audit report and management letter to the ADB.

- a. The auditor should have access to all legal documents, correspondences, and any other information associated with the project and deemed necessary by the auditor. The auditor will also obtain confirmation of amounts disbursed and outstanding at ADB. Available information should include copies of the relevant: project appraisal document; financing agreement; financial management assessment reports; supervision mission reports and implementation status reports.
- b. The Auditor shall have the right of access to banks and depositories, consultants, contractors and other persons or firms engaged by the project. In case access has been restricted, the auditor must note this in the management letter.
- c. ADB can request access to the auditors unedited audit working papers. If necessary, the auditing company can be requested, free of charge, to participate in a wrap-up session for the Ministry of Finance (MOF), the EA/IAs and ADB to share common findings across projects being audited and provide recommendations for addressing bottlenecks in preparation for the next audit.

M. Services to be Provided to the Auditor:

26. The following services will be provided by the EA/IAs without cost to the Auditor. The PCU should coordinate with the EA/IAs and the Auditor to ensure the following services are adequately and timely provided to the Auditor:

- a. **Data:** Provide the Auditor with access to all available data, information, legal documents, correspondence and any other information considered necessary by the Auditor and shall be returned at the completion of the assignment or earlier, or as may be requested by the EA/IAs.
- b. **Access:** The PCU and the EA will arrange for access by the Auditor to the sites which the Auditor deems necessary to visit and conduct investigations in connection with performing their duties. Access to the key officials in the Government, the project provinces and agencies concerned with subjects related to the assignment will also be arranged by the EA/IAs, as appropriate.

N. Auditor Qualification

27. Please refer to: "Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers" - Part 1: Introduction and Policies for further instruction on general consultant qualification. The following are the requirements on the qualification of auditing firms for auditing ADB funded projects in Cambodia. It must be authorized to practice in Cambodia and be capable of applying the agreed auditing standards. The detailed requirements on the qualification of auditing company are:

- a. Be a legal entity with business license granted by the competent authority, as requested by Cambodian law;
- b. Must be impartial and independent from all aspects of management or financial interests in the EA/IA being audited.
- c. Be included in the most updated list of authorized auditing companies and auditors which is approved by Ministry of Finance and published on website: www.mof.gov.vn;
- d. Have adequate staff, with appropriate professional qualifications and suitable experience in finance/financial management in Official Development Assistance (ODA) funded projects or Government projects/ programs, including experience in auditing the Enterprise Financial system (EFS) comparable in nature, size and complexity to the entity whose audit they are to undertake;

- e. Notify and get written endorsement of the EA every time a staff member is substituted; and
- f. Subcontracting of audit services is not permitted.

28. The following are the requirements on the qualification of Individual auditor for each proposed position in the firm. The TOR must indicate clearly how many international and national experts the assignment will include. General requirements on the Qualification of Individuals are as follows: Auditors shall hold relevant professional qualifications with in-depth experience in conducting audits of project FSs. Auditors should hold a fair opinion on, and be independent of, control of the submitting entity and the employer by whom they were appointed. The auditor should follow procedures and methodology that conform to International Standards on Auditing (ISA). The following are the outline TOR of each position:

N.1. Audit Director (AD):

As head of the audit team, the Director will be responsible for:

- a. Keeping lines of communication open with staff and clients.
- b. Ability to manage within budgetary and time constraints while providing a high-level of client satisfaction
- c. Anticipating and addressing client concerns and escalating problems as they arise.
- d. Keeping abreast of latest developments as they affect GAAP and the Firm's standards and policies
- e. Developing an understanding of client's business and becoming a "functional expert" in the area.

Minimum Qualifications/Experience:

- a. A university graduate (preferably with a post-graduate degree) in Accounting, finance, Certified auditor certificate by the MOF or international certificate (ACCA or other recognized international accounting/ auditing certificate),
- b. At least 15 years or above experience working in auditing services; At least 4 year experience in management of auditing teams; and at least 8 years actual working years in auditing since being granted with Cambodian or international auditor certificate;
- c. Should have worked as Audit Director for at least 3 audit contracts on ADB, the World Bank or other international donors funded projects;
- d. Fluent English is compulsory;
- e. Experience working for a Big 4 or large regional accounting firm is a plus.

N.2. Audit Managers (AM)

The Manager will be responsible for:

- a. Receive the instructional directives from Directors and give detailed guidance to all team members;
- b. Monitor the audit fieldwork of engagement team, reviews staff work and ensure that it meet professional standards and the internal audit department's guidelines;
- c. Take responsibility for the quality of the audit before submitting to Director;
- d. To be the contact point with Client's Management and Chief Accountant regarding key issues identified, audit adjustments; and

- e. Monitor the progress of the audit and monitor the adherence to the deadline committed with Client.

Minimum Qualifications/Experience:

- a. A university graduate (preferably with a post-graduate degree) in Accounting, finance, Certified auditor certificate by the MOF or international certificate (ACCA or other recognized international accounting/ auditing certificate),
- b. At least 10 years or above experience working in auditing services; Audit seniors who are the team leader shall have 5 years' experience in their profession;
- c. Audit experience for ADB/World Bank funded projects in Cambodia would be an advantage;
- d. Ability to work within budgetary and time constraints while providing a high-level of client satisfaction;
- e. Certified auditor certificate by the MOF or international certificate (ACCA or other recognized international accounting/ auditing certificate).

N.3. Senior Auditors/ Team leaders: (SA/TL)

The Senior Auditors will be responsible for:

- a. Follow the instructions from Director and Engagement Manager;
- b. Keep AD and AM being updated with the key issues or key audit adjustments day to day;
- c. Being responsible for the audit quality of the whole team in front of AM;
- d. Being responsible for the compliance with auditing firm quality standards and procedures and with the requirements of Clients/ Projects.

Minimum Qualifications/Experience:

- a. Senior Auditors are required to be graduates of a recognized university in the fields of Commerce, Economics, Accounting and Auditing or equivalent;
- b. At least 05 years or above experience working in auditing services;
- c. Preferably to whom holding Certified auditor certificate by the MOF or international certificate (ACCA or other recognized international accounting/ auditing certificate);
- d. Preferably should have worked as Auditor for audit contracts on ADB's, the World Bank's on other international donors' funded projects; and
- e. English proficiency would be preferable.

N.4. Auditor:

The Auditors will be responsible for:

- a. Implementing professional work, auditing assigned sections in the agencies, be responsible for the data and issues related to the auditing activities.
- b. Supporting to release the official report; draft minute of audit; report to the Team leader of the rising issues related to the audit in the agencies.

Minimum Qualifications/Experience:

- a. A university graduate (preferably in recognized university in the fields of Commerce, Economics, Accounting and Auditing or equivalent);

- b. At least 03 years or above experience working in auditing services Preferably to whom holding Certified auditor certificate by the MOF or international certificate (ACCA or other recognized international accounting/ auditing certificate);
- c. Should have worked as Auditor for audit contracts on ADB's, the World Bank's on other international donors' funded projects would be preferable).
- d. English proficiency would be preferable.

O. Involvement of Technical Experts:

29. Depending on the complexity of procurement activities, the auditor may consider involving technical experts during the audit engagement. In cases where such experts are involved, the auditor is expected to comply with provisions of International Standard on Auditing 620: Using the Work of an Expert. Consideration to use of the work of experts should be brought to the early attention of the borrower and the ADB for mutual agreement and appropriate guidance.

P. Reporting Relationships:

30. The audit services will be contracted by EAs/IAs or project management units. The Auditor shall report to: the Project manager and Chief Accountant. The Auditor should maintain and file the work papers and provide them to ADB and/or the Government when required.

Q. Contract and Procurement Mode

31. Please refer to: Annex 5 attached to this TOR.

Project Background, Executing and Implementing Agencies

A. The Project to be Audited:

1. Project No:
2. Grant No:
3. Project Name:
4. Executing Agency:
5. Implementing Agencies:
6. Total Project Costs: (from all financiers)

B. Project Description:

Describe the project here, in the context of its contribution to achievement of the EA's economic goals. The auditor must understand the "purpose for which the funds are intended" in the context of the broad project objectives as well as in terms of the specific project budget.

C. The Executing and the Implementing Agencies (EA/IAs):

A detailed description—both legal and generally informative—should be provided here to enable the auditor to understand fully the nature, location and objective of the executing and implementing arrangements among agencies (EA/IAs), and the entities under audit. Geographic characteristics should be described, together with organization charts; names of senior managers.

Financial Management Manual (FMM)

A. General framework for financial management

1. Objective of the FMM:

To enhance the transparency in project financial management procedures to ensure the proper and effective use of project resources;

Provide guidelines concerning the Financial Management procedures and project systems facilitating the monitoring and evaluation tasks required by ADB and relevant government agencies;

Provide clear requirements, processes and project management procedures to facilitate project implementation.

2. Financial roles and responsibilities of relative agencies/organization

3. Detail responsibilities and qualification of each personnel in Finance management team – such as: functional and duties: Director, Internal Controller, Accountant, Chief Accountant, and Cashier....etc

B. Project planning and budgeting:

Description of how to develop and control planning and budgeting

Summary responsibilities of involved parties in the project

Description of forms for planning and supervising purposes, such as general project implementation, procurement, disbursement etc

C. Disbursement process:

Based on ADB Disbursement guidelines (Loan Disbursement Handbook).

Disbursement process: responsibilities of each involved parties in the process, disbursement types and applicable disbursement procedure (such as statement of expenditure) in the project, fund-flow illustration etc.

D. Project accounting system reporting and liquidation

General regulation, basic accounting policy, financial reporting, and project accounting (indicate clearly which accounting policy is used) and reporting system (list all reports, names, contents, prepared by whom, deadline to submit etc)

E. Internal control (IC)

1. IC Objectives:

The IC forms part of the financial and accounting policies for the management of the Project. The objectives of the internal controls are to:

- (a) ensure adherence to Government's and donors' regulations and guidelines, project policies and procedures;
- (b) achieve clear and transparent financial practices;
- (c) promote operational efficiency;
- (d) provide controls to safeguard the project assets;
- (e) facilitate the early detection of errors and problems.

2. Internal control principles: The basic principles of the internal controls are as follows:

- 1) monitoring, checking and approving, by an upper level, of expenditures and procurements executed by the lower level;
- 2) defining responsibilities of project staff commensurate with position and level of authority;
- 3) separating specific responsibilities of staff;
- 4) using appropriate method to ensure proper custody of assets;
- 5) ensuring full and appropriate documentation;
- 6) using internal procedures for cross-checking of accounts, payments and transaction entries for timely detection of errors; and
- 7) preparing annual inventory of assets.

3. IC requirement: Key internal controls to be implemented by PCU/PMU must satisfy the below requirements:

- a. **Competent and Reliable Personnel:** The internal control system relies on the people running it. Employees should be adequately trained and properly supervised to enable them to carry out their duties and responsibilities effectively.
- b. **Separation of Functional Responsibilities:** A person should not have complete control of a transaction from beginning to end. There should be clear understanding as to who will approve, what is to be approved and the limitations of authorization. The approving officers should not have responsibility for posting or the ability to change accounting records.
- b. **Assignment of Responsibility for Every Function:** Employee responsibilities should be clearly defined to avoid overlapping or unassigned areas of responsibility (e.g. an organization chart should be prepared). Staff must know their responsibilities and whom they report to.
- c. **Separation of Asset Custodianship and Accounting:** The accounting function should be separated from the custody of assets (e.g. an employee who is entrusted to receive cash should not have access to the cash journals or ledgers).
- d. **Security Measures:** Techniques, procedures and measures should be employed to protect assets and ensure reliable accounting data and reports (e.g. use of mechanical devices such as vaults and cash registers; use of control accounts and subsidiary ledgers).
- e. **Supervision:** Internal regulations should include the supervision of staff. For example, the supervision of the director or manager of a DPMU for example on setting up of annual estimated expenditures, approving of the annual reports, or the supervision of chief accountant to the process of setting, recording of transactions made by assistants, and the preparation of financial statements.
- f. **Regular Independent Review:** Internal auditors should regularly review and evaluate the system of internal controls to determine whether it is functioning effectively as planned (e.g., internal auditors' findings and recommendations should be submitted to senior management for action).
- g. **Control of Transactions:** Every transaction should be authorized, approved, executed and recorded according to prescribed procedures (e.g. staff are not free to procure without the approval of the manager).
- h. **Serially Numbered Documents:** Organization documents should be serially numbered to check completeness of transactions (e.g. checks, invoices and vouchers should be serially numbered).
- i. **Sequencing:** Accounting control system should be set up in such a manner that proper sequencing is followed with regards to payments, posting of transactions to ledgers etc. For example payments should not be authorized or made before the goods or services for which the payment relates to has been received by the project.
- j. **Duration of documentation archiving:** Full documentation of project transactions will be managed and recorded in accordance with existing regulations. The records should

be kept for 10 years in good condition to avoid damage and ensure easy access when needed. Document disposal (if necessary) shall be done with prior approval of competent authority.

4. Content of IC:

Must ensure that the FMM covers all important IC matters: such as cash control, bank account control, procurement, assets management, contract management and receivables, and payables etc.

5. IC system:

The auditor shall assess the adequacy of the project financial management systems, including internal controls. The assessment includes whether:

- a. Proper authorizations are obtained and documented before transactions are entered into;
- b. Accuracy and consistency are achieved in recording, classifying, summarizing and reporting transactions;
- c. Reconciliations with internal and external evidence are performed on a timely basis by the appropriate level of management;
- d. Balances can be confirmed with external parties;
- b. Adequate documentation and an audit trail is retained to support transactions;
- c. Transactions are allowable under the agreements governing the project;
- d. Errors and omissions are detected and corrected by project personnel in the normal course of their duties, and management is informed of recurring problems or weaknesses;
- e. Management does not override the normal procedures and the internal control structure; and
- f. Assets are properly accounted for, safeguarded and can be physically inspected.

Financial covenants, financial assurances and

How to confirm the compliance?

1. **Financial Covenants:** The financial covenants that are applicable to projects are included in loan agreements. The Auditor should list, describe and fully reference all applicable financial covenants, review and comment on the compliance.
2. **Compliance with Financial Covenants.** The auditor will confirm compliance with each financial covenant contained in the project legal documents. Where present, the auditor should indicate the extent of any noncompliance by comparing required and actual performance measurements for each financial covenant for the financial year concerned.
3. **Financial Assurances Applicable to Projects:** The financial assurances that are applicable to the EA—such as a commitment to employ suitably-qualified accounting personnel—will be included in project legal documents. The auditor should list, describe and fully reference all applicable financial assurances, review and comment on the compliance.
4. **Compliance with Financial Assurances.** The auditor will confirm compliance with all financial assurances contained in the project legal documents. Where present, the auditor should indicate the extent of any noncompliance by comparing required and actual performance of the borrower in respect of these ADB requirements for the financial year concerned.

A sample for list of required documents

A. General project documents

1. Report and Recommendations of the President
2. Loan Agreement
3. Project Administration Manual
4. Documents on appointments of Project Management Units (Director, Deputy Director, Chief Accounts) and delegation of authorities
5. Documents on registration of VAT codes with local authorities
6. Documents on registration of authorized signatories with the banks
7. Annual budget and work plans, including all revisions, if any
8. Annual procurement plans, if any
9. Quarterly and annual progress reports
10. Comparison between actual expenses and budgets, if any, prepared by Project management,
11. A summary of key financial covenants as indicated in the Loan/Financing Agreements and the self-assessment of the Project management on these financial covenants
12. Copies of all meeting minutes of Project Steering Committee and Project management unit, if any
13. Internal audit reports, prior year audited reports and management letter, if any External review reports.

B. Accounting books/records

1. Annual Financial Statements for the year subject to audit, including the financial statements of the Central PMU and all PPMU (Summary sources of funds, Summary of expenditures, Balance sheet, IA statement...etc).
2. Accounting books and all original supporting documents (hard and soft copies)
3. Confirmations of fund received from the ADB during the year
4. Disbursements and payment vouchers with original supporting documentation
5. Bank statements, cash count minutes, periodic bank reconciliation documents (signed by authorized personnel of the Project)
6. Reports and supporting documents for counterpart expenditure for the year subject to audit
7. Documents on monthly VAT declaration and periodic VAT refund claims, if any
8. List of outstanding advances at the year end and the related aging report, if any. The total of this list should be reconciled to the advances of the balance sheet
9. Summary of procurement contracts signed and ongoing during the year
10. Bidding documents (if any)
11. Consultant contracts (local and international), minutes of evaluation board, consultant reports (if any)
12. Record of training courses, attendance lists and course evaluations (if any)
13. Fixed asset registers
14. Minutes recording annual physical checking of equipment (including all minutes completed by PPMU)
15. Logbooks for vehicles (if any)
16. Access to Programme's/ Projects' computers and other office equipment under the supervision of responsible Programme/ Project personnel (strictly for audit purposes only)

C. Personnel

1. List of all contracted staff and their related recruitment documents, personnel records
2. Documents on PIT, Social Insurance and Health Insurance calculations and monthly declaration and payments

**Procurement Mode and requested document to be submitted by
Audit firms:**

1. The procurement method agreed for auditor recruitment will follow “Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers” (available at: <http://www.adb.org/documents/guidelines-use-consultants-asian-development-bank-and-its-borrowers>)

The contract will be on lump sum in accordance with annual based performance.

2. In order to meet with the working plan and schedule report delivery as requested, the auditing firm must submit a Description of Approach, Methodology and Work Plan for Performing the Assignment including:

(i) **Technical Approach and Methodology:** explain the understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. Should also highlight the problems being addressed and their importance, and explain the technical approach would adopt to address such problems. Explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.

(ii) **Work Plan.** Propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule.

(iii) **Organization and Staffing.** Propose the structure and composition of your team. Should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.

3. Submitted Document must indicate: How many Team Leaders and Senior auditors/auditors allocated for the assigned audit with suitable qualification and experience by each position.

4. For each audit period, how many are expected person-months to fulfill auditing works of each auditor position: for example Audit Director: (how many) person-months; Team Leader: (how many) person-months; ...etc.

5. The person-months are only as an estimate since the auditing company will be recruited on lump sum based performance for each annual package. The auditing company should provide to the Government project management unit details in the followings: working schedule, management and execution method together with allocated man power implementing auditing activities in project’s financial reports for a good contract performance.

GOOD GOVERNANCE FRAMEWORK

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|-------------------------------|--|-------------------------------|--|----------------------------|------------------------------|--|--|--|
| Element 1: Procurement | | | | | | | | |
| 1.a | Following the wrong procedures and thresholds. | Low | In the following order of precedence, MOT shall follow the thresholds and procedures specified in: (i) the project Financing Agreement; (ii) the current procurement plan; (iii) ADB's Procurement and Consultant Guidelines; (iv) the Manual of May 2012 issued under Sub-decree No. 74 ANK.BK dated 22 May 2012 (hereafter, SOP/PM) as may be updated from time to time. | Low | Project Procurement Officer. | Every procurement transaction. MOT-appointed PCU and PIU Directors to monitor. ADB to verify during review missions, prior reviews and post reviews. | Agreed between EA/ADB and Compliant. | Minutes of procurement review committee meetings and ADB no objection letters seen, on file at the PCU office. |
| 1.b | Possible irregularities: <ul style="list-style-type: none"> Leaking prior or post procurement information to friends or relations before contract award Collusion during bidding process including bidding under assumed company names Biased bid evaluation including favoring dependent agencies or state-owned enterprises, military-affiliated contractors or consortia of government staff Suppliers/contractors offer incentives for favorable treatment | Average | MOT shall ensure that the Declarations of Fraud and Ethical Conduct for PRC members and bidders (contractors, suppliers and consultants) provided in the SOP/PM are signed for each transaction. A copy of the declarations of winning bidders shall be bound into their awarded contract. | Low | Project Procurement Officer. | Every procurement transaction. MOT-appointed PCU and PIU Directors to monitor. ADB to verify during review missions, prior reviews and post reviews. | Agreed between EA/ADB and Compliant. | Declarations seen in bidding documents for and awarded contracts, securely filed at the PCU office. |
| 1.c | Need for refresher training on procurement in MOT. | Average | MOT will recruit an international (3 person-months) | Low | MOT Project Supervisor | MOT to complete recruitment of | Agreed between EA/ADB and Compliant. The | Performance of procurement |

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|-----|---|-------------------------------|---|----------------------------|--|--|---|---|
| | | | and national procurement specialist at least 27 person-months) early in the project cycle to provide training and develop a project specific procurement and financial management manual. MOT will also designate a qualified and experienced procurement staff as the Procurement Officer for the project. | | (Secretary of State-level) will designate the Procurement officer with ADB NOL. | procurement staff by one month after effectiveness. ADB to verify acceptable performance of procurement staff during review missions. | procurement specialists will be engaged as individual consultants to ensure timely recruitment. | staff reviewed and documented during each semi-annual project review mission and seen in Aide Memoires/MOUs securely filed in PCU office. |
| 1.d | Further procurement training recommended in Procurement Capacity Assessment at appraisal. | Low | A procurement workshop will be conducted by ADB during the Inception Mission to train staff on ADB's procurement requirements and the procedures in the RGC's SOP/PM. Procurement Specialists will provide on-the-job training and mentoring. | Low | The MOT-appointed Project Director will arrange Workshop in consultation with ADB-CARM procurement specialist. | Not later than two weeks after effectiveness. Mentoring will be ongoing. | Agreed between EA/ADB and Compliant. | Record of training seen and securely filed in PCU office. |
| 1.e | Incomplete or delayed Procurement Plans. | Low | Annual procurement plans will be prepared, tied to the annual work plan of the project. | Low | Project Procurement Officer to prepare annual procurement plans satisfactory to PCU and PIU Directors and ADB. | Plan for first 18 months to be agreed at appraisal. Update by 30 June annually for the following year as required in SOP/PM, or more frequently if required to reflect project implementation needs. | First procurement plan agreed between EA/ADB and included in the PAM. | Last updated procurement plan approved on 30 June 2014 as seen in the PAM. |
| 1.f | Failure to track procurement transactions. | Average | The Procurement Officer will maintain Procurement Tracking Forms as defined in the SOP/PM and submit them to the PCU/PIU Directors, MEF and ADB at the intervals | Low | Project Procurement Officer and Project Director /Manager to monitor. | At the intervals specified in the SOP/PM. | Agreed between EA/ADB and Compliant. | Tracking forms seen and securely filed in the PCU office. |

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|--|--|-------------------------------|--|----------------------------|--|--|--|---|
| | | | required in the SOP/PM. | | | | | |
| Element 2: Financial Management | | | | | | | | |
| 2.a | Weak internal controls at MOT-based PCU and at the DOTs/PIUs. | Average | In the following order of precedence, MOT shall follow the FM procedures specified in: (i) the project Financing Agreement; (ii) the SOP/FMM. The ceiling of PIU sub-accounts has been set at \$5,000. | Low | Project Financial Officer. | All financial transactions. MOT-appointed Project Director to monitor. ADB to verify during review missions | Agreed between EA/ADB and Compliant. | Financial records seen and securely filed in the PCU and PIU offices. Appropriate action taken if irregularities are discovered. |
| 2.b | Need for development of FM skills at PCU and PIU. | Average | A FM training workshop for selected staff will be undertaken early in the project cycle to provide training and develop a project specific procurement and financial management manual. (see item 1.c). The national procurement/financial management specialist will provide ongoing on-the-job training and mentoring. | Low | Project Financial Officer with ADB guidance. | Agree training workshop content during the inception mission. The MOT-appointed Project Director to monitor training content and participation. ADB to verify that training has been carried out during review missions. | Agreed between EA/ADB and Compliant. | Workshop report seen and outcome reflected in AMs. FM manual and course content securely filed in the PCU and PIU offices. |
| 2.c | Delayed or non-existent reconciliation of advances for operating costs or training expenses. | Average | Advances to project staff at the center or in field offices for operating or training expenses to be reconciled within two weeks after the end of each month. No further advances to be paid to that field office or staff until previous advance reconciled and cleared against documentary evidence. | Low | Project Financial Officer. | MOT-appointed Project Director to monitor and ADB to verify during review missions. | Agreed between EA/ADB and Compliant. Steps detailing reconciliation procedure to be detailed in project's FM manual. | Financial records seen and securely filed in the PCU and PIU offices. |
| 2.d | Inconsistency in allowances paid to Government staff | Average | Adopt MEF Decision Letter No. 2000 of April 23, 2007, for per-diem rates for in-country | Low | Project Financial Officer. | MOTs Internal Auditor and Project Director | Agreed between EA/ADB and Compliant. | Records of allowances seen in financial |

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|-----|---|-------------------------------|---|----------------------------|---|---|-----------------------------|---|
| | attending training courses and workshops. | | and international travel. | | | to monitor and ADB to verify compliance when reviewing SOEs with withdrawal applications. | | files. |
| 2.e | Planning controls over training, workshops and study tours. | Average | <p>Prepare Annual Training and Workshop Plan, which will include details of:</p> <ol style="list-style-type: none"> 1. Cost estimates with detailed breakdown. 2. Eligibility rules for attending training and workshops. Attendees must: <ul style="list-style-type: none"> be engaged in work relevant to the training; be competent in the language used; after completion, report on and share their experiences for the benefit of the project. 3. Evidence that training, workshops and other similar activities: <ul style="list-style-type: none"> are in line with project aims and objectives meet identified needs within the sub-component plans have a budget in line with planned expenditure. 4. Overseas training, if any, will be subject to ADB prior approval if project funding is sought. 5. Define evidence to be submitted by attendees for reimbursement of expenses, which may include proof of attendance for period claimed | Low | <p>The MOT-appointed Project Director/Manager, who shall follow training requirements to the extent that they are detailed in the PAM. Subject to ADB no objection.</p> <p>MOT uses an existing ADB-endorsed template for planning annual training and workshops, as part of AWPB planning.</p> | <p>Annual Training Plan to be prepared and submitted to ADB for no objection at least one month prior to AWAB period.</p> <p>Project Financial Officer to request ADB for budget approval prior to arranging all overseas travel. ADB hotel and per diem ceiling rates apply.</p> <p>ADB to verify compliance when reviewing SOEs with withdrawal applications.</p> | | <p>Each annual training plan received by ADB for no objection at last one month prior to the commencement .</p> <p>ADB review and no objection, or otherwise, give within one week of receiving draft plan.</p> <p>Record of plan kept securely filed in PCU and PIU offices.</p> |

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|-------------------------------|---|-------------------------------|--|----------------------------|---|---|--------------------------------------|---|
| | | | with signed statement by the workshop or training organizer. MOT/DOTs will reimburse trainees against receipts except where covered by fixed allowances in MEF letter No. 2000. Evidence of payment to be kept for attendees' per diem and allowances for audit and ADB supervision missions. | | Project Financial Officer. | Every training, workshop and Study Tour. Project Director/Manager to monitor and ADB to verify during review missions. | Agreed between EA/ADB and Compliant. | Reimbursement records seen in financial files, securely stored in the PCU and PIUs. |
| 2.f | Annual external audit. | Low | MEF to appoint auditor for bundled ADB-financed projects under TOR agreed with ADB. MOT to review external audit reports, prepare an action plan to implement recommendations, follow up on the status of their implementation, and report to ADB through the interim financial reports. | Low | MEF. Project Financial Officer | External Auditor will be recruited within 8 months of project inception. Action plan to be produced within 30 days of receipt of audit report. ADB will review and comment on action plan and verify action taken during review missions. | Agreed between EA/ADB and Compliant. | External audit report for FY 2014 received by ADB within the timeframe specified in Loan Agreement. Report on financial statuses of project included in quarterly progress reports. Action plan review documented in AMs and on file at PCU office. |
| Element 3 : Disclosure | | | | | | | | |
| 3.a | Possible conflict of interest among implementation staff. | Average | Project staff to disclose in writing to Project Director affiliations and personal interests that could cause conflict of interest in their work and withdraw from an activity where conflict of interest would arise. Project Director to prepare a declaration for staff to complete. | Low | Project Director /Manager to ensure that all staff complete and sign the declaration and review semi-annually for possible changes in staff | First declarations to be signed by one month after effectiveness with review not less than every six months thereafter. | Agreed between EA/ADB and Compliant. | Declarations seen and securely filed in the PCU office. |

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|-----|--|-------------------------------|--|----------------------------|---|--|--|---|
| | | | | | affiliations and personal interests. | | | |
| 3.b | Enhance transparency through greater public disclosure of Grant information. | Low | <p>Agree information to be disclosed on project website and/or public notice boards of MOT, with hard copies available for public inspection on request. As a minimum, disclosed is expected to include:</p> <p>Project name, objectives, original and revised amount, sources of funding, effectiveness date, original closing date, revised closing date, number of extensions, name and address of EA, name of Project Director with contact information, name of ADB Project Officer and contact information in ADB-CARM</p> <p>Details of project components, percentage completion, data on performance indicators annual Work Program and Procurement Plan, identifying contracts to be procured in next 12 months, nature of each contract, cost estimate, location, method of procurement, means of advertisement, bidding period, location where bidding documents and RFPs can be inspected, expected date of availability, and cost of bidding documents</p> <p>Consultant short lists</p> | Low | <p>MOT <i>and</i> ADB to agree final list and locations for public inspection of hard copies.</p> <p>Project Director /Manager to arrange disclosure on EA/IA or project website and hard copies at agreed locations.</p> | <p>By one month after loan effectiveness.</p> <p>Website updating should not be more than three months behind project activities. Project Director to monitor and ADB Project Officer to verify during Review missions</p> | <p>In line with past practice, agreed between EA/ADB and Compliant.</p> <p>For existing example of EA-maintained website for ADB project, see www.samborpreikuk.org</p> | <p>Website visited on (date). Findings recorded and reflected in AMs on file in the PCU office.</p> |

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|---|---|-------------------------------|---|----------------------------|--|--|--|---|
| | | | bidding documents and RFPs to be available for inspection Bid closing dates, names of bidders and their bid prices at opening List and details of contracts awarded, names of losing bidders and, if their bid prices were lower than the winning bidder, the reason for their rejection Six month progress reports annual financial statements and audit opinion other specific reports prepared by the Grant Complaints and remedies mechanism Code of ethical conduct | | | | | |
| Element 4: Civil Society Organization Role | | | | | | | | |
| 4.a | Greater involvement by Civil Society Organizations (CSOs) to increase transparency. | Average | MOT shall involve industry associations in project activities to strengthen destination management organizations. Further, the project agreement specifies that Local Focal Points will be established in community based organizations (CBO), village development committees, community tourism groups and industry associations active in project areas. If there are no active CBOs or industry associations in project areas, assistance will be extended to form them | Low | MOT Project Director/Manager, according to the agreed implementation arrangements. | MOT to establish involvement not later than six months after effectiveness and report on CSO activities in Quarterly Progress Reports. | In line with past practice, agreed between EA/ADB and Compliant. For existing example of partnerships with CBOs, see www.samborpreikuk.org | Activities seen in quarterly progress reports and reflected in AMs. |
| Element 5: Complaints and Remedies Mechanism | | | | | | | | |

| No | Risk/Issue | Assessment without Mitigation | Action to Mitigate Risk | Assessment with Mitigation | Responsibility | Target/Monitoring | Status as of 1 January 2014 | Supporting Evidence |
|-----|--|-------------------------------|---|----------------------------|--|--|--|---|
| 5.a | Need for a formal complaints and remedies mechanism covering all aspects of project-financed activities. | Average | In addition to complaint procedures for procurement, which follow processes set out in SOP/PM, MOT shall establish an overall complaints and remedies mechanism for all aspects of the project. | Low | <i>The MOT-appointed Project Director /Manager to prepare an overall complaints and remedies mechanism with full details of procedures, satisfactory to ADB.</i> | Design the mechanism and submit to the ADB by two months after effectiveness. Project Director to monitor complaints handling. ADB to view complaints records during review missions. All complaints that could potentially involve a breach of the ADB financing agreement must be referred to the ADB Project Officer as soon as they are received. | Agreed between EA/ADB and Compliant. The mechanism will be posted on the project website. | Complaints log book and details of action taken seen and securely filed in the PCU and PIU offices. |

Seen and Approved by
Sok Sokun
Project Manager
Ministry of Tourism
Cambodia

Date: March 28 2014

BASELINE INFORMATION AND ASSUMPTIONS

1. Introduction

a. This Annex provides baseline information for monitoring tourism performance in the participating countries and subproject areas. Together with forecasts for tourist arrivals, average receipts per-tourist, tourism-related employment, and other indicators, the information will be monitored and the results incorporated into project baseline, midterm, and completion reports.

Table 1: Key Tourism Indicators

| Country | 2011 IVA | 2012 IVA | 11/12 % increase | 2012 | 2012 direct | IVA/job | Receipts/ IVA (\$) | Receipts/ job (\$) |
|--------------|-------------------|-------------------|------------------|-----------------------|------------------------|---------|--------------------|--------------------|
| | | | | receipts (\$ billion) | employment ('000 jobs) | | | |
| Cambodia | 2,881,862 | 3,584,307 | 24.5 | 2.21 | 782.5 | 4.6 | 616 | 2,824 |
| Lao PDR | 2,723,564 | 3,330,072 | 22.3 | 0.51 | 134.0 | 24.9 | 154 | 3,805 |
| Viet Nam | 6,014,032 | 6,847,678 | 13.9 | 7.70 | 1,831.5 | 3.7 | 1,124 | 4,202 |
| Total | 11,619,458 | 13,762,057 | - | 10.4 | 2,748 | - | - | - |

IVA = international visitor arrivals

Source: GMS National Tourism Organizations, World Travel and Tourism Council

Table 2: GMS Source Markets, Showing Number & Percentage of Destination IVA, 2012

| Destination | 2012 IVA | Sending Country | | | | | | | | | |
|-------------|------------|-----------------|-----|---------|-----|-----------|------|---------|------|-----------|------|
| | | Cam | % | Lao | % | PRC | % | Vie | % | Tha | % |
| Cambodia | 3,584,307 | .. | .. | 254,022 | 7.0 | 333,894 | 9.3 | 763,136 | 21.0 | 201,422 | 5.6 |
| Lao PDR | 3,330,072 | 15,140 | 0.5 | .. | .. | 199,857 | 6.0 | 705,000 | 21.0 | 1,937,000 | 58.2 |
| Viet Nam | 6,847,678 | 331,399 | 4.8 | 150,678 | 2.2 | 1,428,693 | 20.9 | .. | .. | 225,866 | 3.3 |
| Thailand | 22,303,065 | 424,766 | 1.9 | 951,090 | 4.3 | 2,789,345 | 12.5 | 617,804 | 2.8 | .. | .. |

Cam = Cambodia, IVA = international visitor arrivals, Lao = Lao PDR, PRC = People's Republic of China, Tha = Thailand, Vie = Viet Nam

Source: GMS National Tourism Organizations

Table 3: Inbound International Aviation Capacity

| | No. Airlines | | No. Inbound Flights | | No. Inbound Seats | |
|--------------|--------------|-----------|---------------------|---------------|-------------------|-------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Cambodia | 26 | 23 | 25,233 | 28,721 | 3,764,955 | 4,350,653 |
| Lao PDR | 8 | 8 | 10,314 | 10,457 | 1,211,483 | 1,318,352 |
| Viet Nam | 43 | 40 | 54,227 | 55,753 | 10,996,468 | 11,247,464 |
| Total | 77 | 71 | 89,774 | 94,931 | 15,972,906 | 16,916,469 |

Source: IATA

Table 4: Accommodation Capacity (2012)

| Province | Rooms | Occupancy Rate |
|---------------|-------|----------------|
| Champasak | 3,215 | 0.62 |
| Khammouane | 1,321 | 0.51 |
| Luang Prabang | 3,529 | 0.69 |
| Oudomxay | 1,124 | 0.58 |
| Koh Kong | 1,239 | 0.60 |
| Kampot | 1,524 | 0.60 |
| Kep | 689 | 0.60 |
| Dien Bien | 1,300 | 0.65 |
| Lao Cai | 4,640 | 0.66 |
| Ha Tinh | 3,000 | 0.58 |
| Tay Ninh | 4,152 | 0.60 |
| Kien Giang | 5,293 | 0.51 |

Source: GMS National Tourism Organizations

Table 5: Contribution of Tourism to GDP

| | 2012 | 2025 |
|----------------|-------|-------|
| Cambodia | 11.4% | 11.5% |
| Lao PDR | 5.3% | 5.4% |
| Viet Nam | 4.5% | 4.6% |
| Southeast Asia | | |
| Benchmark | 5.0% | 5.1% |

Source: World Travel and Tourism Council.

Table 6: Per-capita Tourism Receipts 2012

| Country | Population (million) | Receipts (\$million) | Per-capita Receipts (\$) |
|----------|----------------------|----------------------|--------------------------|
| Cambodia | 14.74 | 2,210 | 150 |
| Lao PDR | 6.52 | 506 | 78 |
| Viet Nam | 88.87 | 8,000 | 90 |

Source: Asian Development Bank and National Tourism Organizations.

Table 7: Distribution of National Tourism Receipts 2012

| | Total Receipts (\$million) | Participating Province Receipts (\$million) | Share |
|----------|----------------------------|---|-------|
| Cambodia | 2,210 | 15 | 0.7% |
| Lao PDR | 506 | 163 | 32.2% |
| Viet Nam | 8,000 | 197 | 2.5% |

Source: National Tourism Organizations.

2. Impact and Outcome Baseline and Performance Targets

3. This section describes the assumptions used to compute the baseline and performance targets for the impact and outcome indicators presented in the Design and Monitoring Framework.

4. **Impact indicator: Increase in aggregate tourism employment in the project provinces.** For the past 20 years, the World Travel and Tourism Council (WTTC), in cooperation with Oxford Economics, has been producing comprehensive annual economic reports to quantify, compare, and forecast the economic impact of tourism at the global, regional and country levels. These data include statistics on tourism employment in each participating country and are reliable and widely accepted standards used by the travel and tourism industry. National tourism receipts for 2012 were divided by the WTTC tourism employment figures to determine a baseline receipts to job ratio that was applied to estimate the number of jobs in project provinces. Table 8 shows the 2012 baseline and 2025 projections, taking into account annual inflation and efficiency gains (i.e. more receipts will be required to sustain one job in 2025). The target for the percentage of jobs held by women is based on current workforce participation rates and set between 50% and 60%

Table 8: Aggregate Tourism Employment in Project Provinces

| | 2012 National | | | 2012 Provinces | | 2025 Provinces | | |
|----------|----------------------|-----------|---------------------|----------------------|--------|---------------------|----------------------|---------|
| | Receipts (\$million) | Jobs | Receipts: Job Ratio | Receipts (\$million) | Jobs | Receipts: Job Ratio | Receipts (\$million) | Jobs |
| Cambodia | 2,210 | 782,500 | 2,824 | 15.3 | 5,408 | 127.7 | 5,326 | 23,978 |
| Lao PDR | 506 | 134,000 | 3,776 | 162.9 | 43,143 | 504.4 | 7,120 | 70,834 |
| Viet Nam | 8,000 | 1,831,500 | 4,368 | 197.4 | 45,194 | 1,139.3 | 8,237 | 138,321 |

Sources: Revenue 2012: National Tourism Organizations; Revenue 2025 PPTA estimates. National employment: 2012 and 2025: World Travel and Tourism Organization; Provincial employment 2012 and 2019 PPTA estimates.

5. **Outcome indicator: Increase in aggregate annual tourism receipts in project provinces.** Table 9 presents baseline and targets for this indicator. 2012 baseline receipts are derived from official statistics and PPTA estimates. 2019 targets were set based on

expected incremental growth in tourist arrivals, length of stay, and spending that will arise from project investments, official forecasts and consultations with the executing agencies, and the experience of past projects.

Table 9: Aggregate Annual Tourism Receipts in Project Provinces; Baseline and Targets

| Country | 2012 (\$million) | 2019 (\$million) |
|----------------|-----------------------------------|-----------------------------------|
| Cambodia | 15.3 | 64.4 |
| Lao PDR | 162.9 | 331.6 |
| Viet Nam | 197.4 | 489.0 |

Sources: National Tourism Organizations; PPTA estimates.