

INSTITUTIONAL ANALYSIS AND ARRANGEMENTS FOR O&M OF PROJECT FACILITIES

A. Institutional Analysis

1.1 Governance Overview

1. Viet Nam presently comprises 63 administrative divisions, made up of 58 provinces (including those participating in the project) and five autonomous municipalities directly under central authority (Hanoi, Ho Chi Minh City, Da Nang, Can Tho and Hai Phong). Provinces are divided into districts, towns, and capitals. The autonomous municipalities directly under central authority are divided into precincts and these are subdivided into wards. Provincial districts are divided into villages and townships; provincial towns and provincial capitals are divided into wards and villages. Each administrative level has a People's Council and a People's Committee.

2. The People's Councils operate at both the provincial and district levels. They represent the authority of the State and are the top supervisory bodies at each level. They do not govern directly but instead elect and oversee People's Committees that act as executive bodies and carry out local administrative duties. Council members are popularly elected, although candidates are screened by the Communist Party of Viet Nam (the Party), and are responsible for ensuring strict local observance of the Constitution and laws, and for ruling on local plans and budgets.

3. Government ministries and Provincial People's Councils report directly to the Prime Minister's Office.

1.2 Provincial People's Committees

4. Provincial People's Committees (PPC) act as the executive agency of the Provincial People's Councils and the State administrative agencies at the provincial level. They are responsible for executing and carrying out State management in accordance with the Constitution, Law, documents of State agencies at higher levels, and resolutions of Provincial People's Councils. PPC's oversee the activities of District People's Councils (DPCs) that carry out similar functions but at the subordinate district level. PPCs are organized and operate under the principle of democratic centralism with collective leadership and each individual member of the committee having specific roles and responsibilities. In undertaking their functional responsibilities, PPCs coordinate closely with the Provincial Committee of Viet Nam Fatherland Front in each province, and with public unions and other social organizations.

5. PPCs comprise nine members, including one chairperson, three deputy chairpersons (one permanent) and five other members. A chairperson heads each PPC and is accountable to the appropriate Provincial People's Council and to central government. Other members of the PPC take responsibility for specific tasks assigned to them by the Chairperson. PPC members take part in collective discussions and make decisions on issues they are authorized to consider in accordance with their functional responsibilities set out in the Law on the Organization of People's Council and People's Committees dated 26 November 2003.

6. PPCs meet at least once per month. PPC members decide by majority to act on such matters as: (i) provincial socio-economic development plans, budget estimates, annual budget accounts and use of reserve funds; (ii) plans for investing in major construction projects; (iii)

plans for mobilizing human and financial resources to deal with the urgent issues; (iv) schemes for establishing, incorporating or dissolving specialized agencies and State-owned Enterprises (SOE); (v) organizational options for personnel under the PPC's management; and (vi) the demarcation and modification of the boundaries of local administrative divisions. All decisions taken by the PPC on these matters must be submitted for the approval of the appropriate Provincial People's Council.

7. A Chairperson directs and manages PPC operations and has other duties and responsibilities stipulated in the Law on the Organization of People's Councils and People's Committees. Aside from the leadership of the PPC, the chairperson has responsibility for reporting to and acting on instructions from People's Councils and from the central government. One of the key PPC responsibilities relevant to the project is oversight and direction of People's Committees operating at lower (e.g. district) levels. In terms of agreed project implementing arrangements it is the deputy chairperson in each of the participating provinces that will chair the Provincial Steering Committee (PSC) and participate in the National Steering Committee (NSC).

8. In line with Government Decree No.107/2004/ND-CP (1 April 2004), the PPC chairperson is assigned tasks, including (amongst others) monitoring planning and investment initiatives, budget preparation and expenditure, and medium/long-term plan preparation. The chairperson is also eligible to hold a position in provincial steering committees or specialized councils, although as mentioned, for the project it is the deputy chairperson who will undertake this role. In fulfilling these assigned functions the PPC chairperson is in charge and supervises the provincial Department of Planning and Investment, Department of Home Affairs, Investment-Trade-Tourism Promotion Centres, and the Legal Consulting Council.

9. The PPC chairperson is responsible for assigning tasks to the deputy chairpersons and other PPC members commensurate with their fields of expertise and institutional origins. The three deputy chairpersons assist the chairman and implement a wide range of activities.

10. With specific reference to the project, a typical division of labor between the vice chairpersons is set out in the decree as follows:

The permanent deputy chairperson is typically responsible for ethnic affairs; natural resources and environment; industry and trade; electricity supply; construction; transportation; water supply and drainage; investment, basic construction and policies and tasks related to compensation and site clearance for programs and projects (including those with foreign-invested capital). Upon the decision of the chairperson, the permanent deputy chairperson (in fact all deputy chairpersons) is also eligible to concurrently hold positions in provincial steering committees or specialized councils. In fulfilling these tasks, the permanent deputy chairperson oversees the activities of: the Statistics Office; Department of Natural Resources and Environment (DONRE); Department of Industry and Trade (DIT); Department of Construction (DOC); Department of Transport (DOT); the Provincial Electricity of Board; Board of Ethnic Affairs; Industrial Zones Authority; and Land Fund Development Centre.

11. In accordance with the prevailing law defining PPC duties and responsibilities, certain tasks, such those linked to direction and guidance of construction activities and decisions in respect of compensation and site clearance are shared between all three deputies. The chairperson decides how exactly these responsibilities are assigned. Beyond this, the tasks

assigned to each of the other two deputy chairpersons can be broadly defined as social and financial.

12. Thus one deputy chairperson is responsible for culture, sports and tourism; labor, war invalids and social affairs; health care; education and training; information and communications; science and technology; and investment in these sectors. In fulfilling these tasks the deputy chairperson oversees the activities of: the Department of Culture, Sports and Tourism (DCST); the Department of Labor, War Invalids and Social Affairs (DOLISA); Department of Education and Training (DET); Department of Health Care; Department of Information and Communications, and Department of Science and Technology.

13. The other deputy chairperson is responsible for financial affairs including taxation and banking; collective and private economic development; innovation and development of enterprises; and monitoring of policies and general affairs relating to investment from sources outside the State budget including ODA and FDI. In fulfilling these functions the deputy chairperson oversees the activities of the Department of Finance (DOF), Tax Office, State Treasury, and the provincial branches of the State Bank, Development Bank, Social Policy Bank as well as other commercial banks.

14. Other PPC members have various duties and responsibilities as assigned by the Chairman.

15. The PPC Chairperson and deputies periodically meet with and report to permanent members of the Provincial Party Committee. The PPC also maintains a close working relationship with the permanent members and boards of Provincial People's Councils and prepares recommendations, reports and draft programs for the councils' consideration.

16. PPCs are responsible for organizing implementation of resolutions, decrees, decisions and instructions of the Government and Prime Minister, as well as instructions, decisions and circulars of ministries and agencies. PPCs make periodic reports to the Government and when needed seek the Government's direction in dealing with the critical issues. PPCs are subject to inspection by the Government in all aspects of the province's State management for which they are responsible.

1.3 Ministry of Culture, Sports and Tourism

17. In 2007, the former National Sports Committee, the Viet Nam National Administration of Tourism, and the Committee for Population, Family and Children were merged with the culture departments of the former Ministry of Culture and Information to become the new Ministry of Culture, Sports and Tourism (MCST). The functions, tasks, powers and organizational structure of the MCST are set out under Decree No. 76/2013/ND-CP July 16, 2013. This Decree took effect as of September 2, 2013. It replaces Decree No. 185/2007/ND-CP of December 25, 2007. The new Decree defines MCST as a Government agency performing the state management of public services in the fields of culture, family, fitness, sports and travel within the country. The duties and powers of MCST are as stipulated in Decree 36/2012/ND-CP of April 18, 2012 which defines the functions, tasks, powers and organizational structure of ministries and ministerial-level agencies.

18. **Organizational Structure.** MCST is structured around its three defining sectors. Its defining decrees specify 27 separate departments and divisions within the ministry. Those most directly concerned with the project are the departments of: Tourism (particularly the

infrastructure division) and Planning and Finance. In addition a number of other departments will be involved in various facets of the project. These include the departments of (i) Science, Technology and Environment; (ii) Training; (iii) Legal Affairs; (iv) Cultural Heritage; (v) International Cooperation; (vi) Village (Ethnic) Management Culture; and (vi) the Center for Information Technology.

19. **Functional Responsibilities.** As its name implies, the MCST has functional responsibilities in a wide range of sectors and subsectors including: (i) cultural heritage; (ii) performing arts; (iii) film industry; (iv) art, photography and exhibitions; (v) copyright and related rights; (vi) libraries and museums; (vii) advertising; (viii) literature; (ix) family law; and (x) physical education and sport. In relation to the tourism sector, MCST oversees and engages in the following:

Tourism resources and planning: (i) guide and organize the implementation of tourism master plans, development plans, and plans governing national, regional and provincial tourism development, as well as development in key tourist areas; (ii) regulate, investigate, evaluate and classify tourism resources; (iii) coordinate with ministries, ministerial departments, Provincial People's Committees, and cities directly under the central government, to conduct surveys, assessments and classification of tourism resources; and (iv) provide for the protection, restoration and sustainable development and use of natural resources and the environment.

Tourist areas, attractions, routes and tours: (i) guide and supervise the classification and recognition of resorts, tourist attractions and local travel routes; (ii) promulgate regulations on the management of tourist resorts; and (iii) manage, control and supervise the certification of tourist guide services nationwide.

Business travel: (i) guide the implementation of the provisions of the regulations on business travel, tourism accommodation and business development of tourist resorts, attractions and other tourism services; (ii) to prescribe the criteria, procedures, records ranking of tourist accommodation and facilities; (iii) define performance standards for tourist businesses and tourism services; and (iv) rank tourist accommodation establishments from 3 stars or higher.

Tourism promotion: (i) coordinate with the appropriate ministries and institutions to formulate and implement strategies, plans and programs to promote tourism in the country and abroad; (ii) coordinate activities to promote local and inter-regional tourism; (iii) prepare guidelines for the establishment and operation of representative offices for Vietnamese tourism in foreign countries and for representative offices of foreign tourism in Vietnam; and (iv) develop manuals and a data base for the management national tourism.

International cooperation: (i) develop guidelines for establishing, operating and managing Viet Nam's cultural centers abroad and foreign cultural institutions in Viet Nam; (ii) coordinate the organization of cultural celebrations and events, seminars, exhibitions, and external activities at home and abroad to promote the image Viet Nam, its people and its tourist assets.

20. In addition, MCST has a wide range of responsibilities covering many cross-cutting facets of culture, sports and tourism, including: (i) training and human resource development; (ii) management of state institutions performing public service in concerned sectors; (iii)

management of state and social activities of nongovernment organizations (NGOs) and individuals active in the concerned sectors in coordination with the Ministry of Interior (MOI).

21. MCST also develops professional standards for officers and civil servants in the concerned sectors assigned to or operating in provincial or district locations as part of the Government's decentralization initiative and program of public administration reform.

1.4 Departments of Culture, Sports and Tourism

22. The Department of Culture, Sports and Tourism (DCST) in each province acts as the sectoral arm of the Provincial People's Committee (PPC) and assists the PPCs (and DPCs) in fulfilling their functional responsibilities in respect to cultural, sporting, and tourism activities. In order to ensure compliance with provincial development objectives, DCST activities are overseen by a PPC deputy chairperson. However, while DCSTs must be responsive to provincial directives, they are also tasked with implementing the policies, projects and programs of central government coursed through MCST. The effective operation of DCSTs relies on a high level of collaboration and cooperation between the MCST at the central level, and PPCs at the provincial level, to agree on common development goals and priorities.

23. The functional responsibilities of the DCSTs broadly mirror those of the central MCST. They include a range of cultural and sporting activities, and in terms of the tourism sector also involve the planning and development of tourism resources, destinations, attractions, routes and tours, as well as business travel, promotion and international cooperation, all of which have province- and district-specific applications and interpretation.

24. The DCSTs are headed by a director and up to three deputy directors. The director reports to PPC. Appointment of the director and deputy director is made by the PPC Chairperson and is subject to the approval of the MCST.

B. Operations and Maintenance Arrangements for Project Facilities

25. The following section outlines the institutional responsibility and financing for operations and maintenance (O&M) of infrastructure subprojects included in outputs 1 and 2. It is based on the assumption that O&M of tourist facilities in all subproject sites will continue to be the responsibility of the existing management entity already in place, with technical support from the appropriate DCST/DOT, and oversight provided by the PPC. In the case where construction of a new tourist facility is proposed (i.e. the Lao Cai/Dien Bien Phu Cultural Exchange and Tourism Information Centers), DCST, with oversight from the appropriate PPC will assume O&M responsibilities. O&M of tourist facilities in all cases will be funded utilizing revenue generated from entrance fees, rental of stalls and kiosks and other on-site revenue generating mechanisms.

26. Four subprojects, namely Da Dung Caves Access Improvement, Phu Tu Environmental Improvement, Ta Phin-Ban Khoang Access Improvement, and Muang Phang Access Improvement will upgrade rural and peri-urban roads. In these cases, routine and periodic maintenance of the roads will be the responsibility of the provincial Department of Transport (DOT) drawing on funds from their budgetary allocation under the direction of the PPC.

2.1 Da Dung Cave Access Improvements

27. The Kien Giang Project Implementation Unit (PIU) will be responsible for overseeing the design, procurement of works and equipment, and supervision of the subproject. This will form part of a contract package that includes Phu Tu Environmental Improvement subproject.

28. **Subproject Description.** the Da Dung Cave complex is a national heritage site comprising 14 caves, located approximately 4 km from the Viet Nam–Cambodia border. The lack of facilities and poor access limits income generating opportunities for local entrepreneurs. To address these constraints, the subproject will (i) upgrade the existing 2.0 km laterite access road to double bituminous surface treatment (DBST) standard with a 6.0 m carriageway; (ii) improve steps and footpaths to the caves, including installation of safety barriers and handrails; (iii) construct a tourist reception/information center with a food court, handicraft and souvenir kiosks and other associated facilities including a parking area, public toilets and landscaped public open space; (iv) upgrade infrastructure and utilities including the water supply, wastewater and solid waste management systems, electricity supply and the lighting of caves, footpaths and other public areas; and (v) install directional signage and information boards to present special features of the site.

29. **Operations and Maintenance of the Tourist Facilities.** Upon completion of the works the Da Dung (Mui Nai) Management Board (DDMB), with DCST support, will assume responsibility for operations and maintenance of the multipurpose Da Dung Tourist Reception and Information Center and all associated facilities. In accordance with lease agreements with DDMB, local micro- and small-enterprises and other commercial retailers and traders renting stalls and kiosks will be responsible for day-to-day maintenance of their leasehold facilities. In terms of routine maintenance, the management company will hire labor on a full-time or part-time basis as required and where possible from the surrounding My Duc commune. O&M of the cave lighting system will be handled by DDMB technicians. For major maintenance works, the DDMB with PPC guidance, will award contracts to the appropriate government department, or to suitably qualified local contractors. Given the sensitive nature of the cave environment any major maintenance will require specialist contracting services. The hiring of all casual labor and the contracting of major maintenance works will be closely monitored by DCST to ensure compliance with the project's social and environmental safeguards.

30. In order to ensure efficient management operations select DDMB staff will receive project supported training in (i) accounting, bookkeeping and general financial management; (ii) tourism awareness and environmental management; (iii) heritage management and interpretation, including training to improve guide services; and (iv) foreign languages. Under project output 4, DDMB staff will also receive tailored training in O&M of subproject facilities. Under output 3 micro- and small-business operators running stalls and kiosks will receive training to improve retail skills, and to widen the range and appeal of products for sale, thereby improving their income earning opportunities. Kien Giang DCST will continue to market and promote Da Dung Caves along with other caves in the vicinity.

31. Based on the projected increase in visitor arrivals from around 112,200 in 2018 (after completion of works) to around 184,300 in 2025, annual revenue generated by the various tourist facilities will rise from about D2,330 million (about \$111,000) to about D3,770 million (about \$180,000). This will be generated from (i) site entry fees, which will be set at an average of D15,000/person in 2018; (ii) parking charges based on an average of D20,000 per car/van and an assumption of five persons/vehicle for all visitors; (iii) rental of the 30 stalls and kiosks of

variable sizes for which there will be a differential rental for local micro-enterprises and larger retail and commercial traders; and (iv) use of public toilets (D2,000/person and assumed 50% visitor use). Projections assume a 2% per annum increase in revenue over 2018-2025.

32. Annual operational expenditure over the same period (2018-2025) will increase from D1,791 million (about \$85,300) to D2,123 million (about \$101,000). The bulk of operational expenditure will be for staff salaries (D800.1 million). Other major expenditures are: (i) routine repair and maintenance of buildings, infrastructure, equipment and public open space; (ii) public service and utility charges including electricity and water supply, solid waste and waste water management services; (iii) administrative office supplies and meeting expenses; (iv) marketing and promotion; (v) special festival expenses; (vi) continued post-project training for key management personnel; and other miscellaneous items such as insurance. All expenses are projected to increase by 2% annually, except for salaries which are projected to increase at 3% per year.

33. Based on projections of income and expenditure for the Da Dung Cave Access Improvement subproject the O&M of the tourism facilities will be self sustaining (Annex 1). The site will generate an annual surplus, which after tax will rise from about D481 million (about \$23,000) in 2018/19 to D 1,481 million (about \$70,500) in 2024/25.

34. **Maintenance of Roads and Associated Civil Works.** Upon completion of the subproject, the Kien Giang Province People's Committee (PPC) will assign responsibility for the maintenance of the 2.0 km access road to the provincial DOT. This includes maintenance of all bridges, culverts, drainage systems, embankments and related civil works. With the approval of Kien Giang PPC and Ha Tien DPC, funds for all DOT maintenance works will be drawn from the provincial budget. The provincial DOT will also be responsible for maintenance of the 3.5 km access road to Phu Tu National Tourism site.

35. Based on projections of income and expenditure for the Kien Giang DOT in 2018 the Department will generate a surplus of D634 million rising to D1,032 million by 2025. These figures exclude the capital costs of any new road or infrastructure construction that DOT will undertake during this period. These projections indicate that there will be adequate resources available to meet the cost of both routine and periodic maintenance of existing roads in the province, as well as the 2.0km access road to Da Dung Caves and the 3.5 km access road to Phu Tu National Tourist Site, over the period 2018 to 2025.

36. Routine maintenance is calculated on the basis of \$700 per km per year every year after completion of the subproject in 2018. Periodic maintenance is calculated on the basis of \$3,200 per km to be carried out in 2022, five years after completion of the project. Annex 8 provides the details of estimated income and expenditure projections for the provincial DOT, including the costs of routine and periodic maintenance.

37. **Public Utilities and Services.** O&M of the mains water supply to the subproject will be the responsibility of the Kien Giang Water Supply and Drainage (One Member) Co Ltd. DDMB will be responsible for the collection and temporary on-site storage of solid waste as part of its routine maintenance responsibilities. Removal of solid waste from the site and delivery to the Muong Dao landfill will be provided as an extension of the District's existing solid waste management system under the direction of the DPC. User charges will pay for this service and for the maintenance of the wastewater treatment system (septic tanks). Kien Giang Power Company (Ha Tien branch) will be responsible for maintenance of the power supply to the

subproject. All utilities and service user charges will be collected by DDMC and paid to the service provider.

2.2 Lao Cai Cultural Exchange and Tourist Information Center

38. Lao Cai PIU will be responsible for overseeing the design, procurement of works and equipment, and supervision of the Lao Cai Cultural Exchange and Tourist Information Center. Subproject.

39. **Subproject Description.** in 2012, Lao Cai received nearly 950,000 visitors of which 40% were international tourists. While Lao Cai possess a wide range of cultural and natural attractions, the majority of tourism activity is concentrated in Sa Pa and Bac Ha districts due to limited market awareness about other provincial destinations and a lack of conveniently accessible transportation and tour services for independent travellers. To address these constraints, the subproject will (i) construct a cultural exchange and tourism information center, including exhibition and cultural performance areas, high quality audio-visual equipment and other associated facilities including stalls and kiosks offering food, beverage, ethnic handicrafts and souvenirs, public toilets, parking area and a full range of supporting infrastructure and utilities. To ensure that visitors arriving by rail are aware of provincial tourism and transportation services offered by the center a small information kiosk will be set up at the railway station.

40. **Operations and Maintenance of the Tourist Facilities.** Upon completion of works the Lao Cai DCST will assume responsibility for O&M of the Cultural Exchange and Tourist Information Center and all associated facilities. In accordance with leasehold agreements, local micro- and small-enterprises and other commercial retailers and traders renting stalls and kiosks will be responsible for day-to-day maintenance of their leasehold properties. In terms of routine maintenance, the DCST will employ full- and part-time as required, where possible from the surrounding ward or elsewhere in Lao Cai City. For major maintenance works, DCST with PPC guidance, will award contracts to an appropriate Government department or to suitably qualified local contractors. The hiring of casual labor and the contracting of major maintenance works will be closely monitored by the DCST to ensure compliance with the project's social and environmental safeguards.

41. In order to ensure efficient operations, selected management staff will receive project supported training in (i) accounting, bookkeeping and general financial management; (ii) tourism awareness and environmental management; (iii) heritage management and interpretation; and (iv) foreign languages. Under output 4 staff will also receive training in various facility-specific O&M tasks, such as maintenance of audio-visual equipment. Under output 3, micro and small business enterprises operating stalls and kiosks will have the opportunity to participate in training to improve business management and product development to boost their income earning potential.

42. The estimated number of visitors to the center in 2018 is about 42,200, increasing to just over 64,000 by 2025.¹ It is estimated annual revenue generated by the center will rise from about D1,003 million (about \$47,760) to about D 1,479 million (almost \$70,430). This projected income is low compared to other subprojects because the facility functions mainly as an information center. In 2018, it is estimated that this revenue stream will generate around D709 million (about \$33,760) based on an assumption that around 40% of all visitor will pay an entry fee of D42,000 (about \$2.00/person) to attend special events hosted at the center. Additional

¹ Arrivals in 2018 and 2025 include constant 37% international visitors.

revenue will be generated from (i) vehicle parking charges based on an average of D20,000 per car/van and an assumption of five persons/vehicle for all visitors; (ii) rental of the 30 stalls and kiosks of variable sizes; and (iii) use of public toilets (D2,000/person and assumed 50% visitor use). The projections assume a 2% per annum increase in revenue over 2018-2025.

43. Annual operational expenditure over the same period (2018-2025) will increase from about D1,935 million (\$92,000) to about D 2,286 million (\$109,000). The bulk of operational expenditure will be for staff salaries (D780 million). Assumptions regarding staffing numbers and salaries for all subprojects are set out in Annex 11. Other major expenditure items are: (i) routine repair and maintenance of buildings, infrastructure, equipment and public open space; (ii) public service and utility charges including electricity and water supply, solid waste and waste water management; (iii) administrative office supplies and meeting expenses; (iv) marketing and promotion; (v) special festival expenses; (vi) continued post-project training for key management personnel; and (vii) other miscellaneous items such as insurance. Estimates assume a 2% annual increase, except for salaries which are projected to increase at 3% per year.

44. As shown in Annex 2, projections of income and expenditure for the Lao Cai Cultural Exchange and Tourist Information Center suggest that O&M facilities will incur a deficit in 2018 of around D932 million (\$ 44,380). This deficit is projected to gradually diminish to around D807 million (about \$38,430) by 2025. Aside from investigating the possibility of opening up other sources of revenue generation, there will be a need for the PPC through DCST to inject a small subsidy to support the running of this important tourist facility. This will mainly be in the form of staff salaries and can be regarded as part of the MCST's marketing efforts to promote the northern provinces of Viet Nam, especially Lao Cai and its numerous tourism assets.

45. **Public Utilities and Services.** O&M of the mains water supply to the subproject will be the responsibility of the Lao Cai Water Business (One Member) Co Ltd. DCST will be responsible for the collection and temporary on-site storage of solid waste as part of its routine maintenance responsibilities. Removal of solid waste from the site will be provided as an extension of the City's existing solid waste management system under the direction of the Lao Cai Urban Environment Company. User charges will pay for this service and for the maintenance of the wastewater treatment system (septic tanks). Lao Cai Power Company will be responsible for the maintenance of power supply to the center. All utilities and service user charges will be collected by the DCST and paid to the service provider.

2.3 Ta Phin-Ban Khoang Access Road Improvement

46. Lao Cai PIU will be responsible for overseeing the design, procurement of works and equipment, and supervision of the subproject.

47. **Subproject Description.** In 2012, the predominantly ethnic Dao and Hmong settlements of Ta Phin in Lao Cai Province received only 7,500 visitors. In comparison, tourist arrivals in the nearby town of Sapa reached 610,000. To help ethnic communities living around Sapa attract more visitors the subproject will (i) upgrade the 6km Ta Phin Access Road (beginning at the intersection with Highway 4D) to DBST standard with 5-6.0 m carriageway, install roadside drainage, culverts, and strategically placed passing bays, (ii) rehabilitate two bridges, each 5 m wide with a 10 m span; (iii) upgrade the existing track between Ta Phin and Ban Khoang (8.7 km) to form a 3.5 m wide paved rural road; (iv) construct public toilets and a vehicle parking area in Ta Phin; and (v) install directional signage and information boards.

48. **Operations and Maintenance of Tourist Facilities.** The subproject is primarily focused on upgrading road access to Ta Phin and Ban Khoang. Development of tourist facilities is limited to the construction of public toilets and upgrading the vehicle parking area at Ta Phin. DCST will supervise operations and routine maintenance of tourist facilities in coordination with the community tourist groups. Vehicle parking charges at Ta Phin,² user fees for public toilets (D2,000/person), and the entrance fee of D30,000/person for the old Ta Phin Monastery³ will be sufficient to cover the operations and routine maintenance of public toilets and the parking area.

49. The project will provide skills training and foreign language training to local tourism service providers and informal vendors (mostly women) selling handicrafts and souvenirs to tourists. Training will also be provided to improve handicraft design and production skills, food and beverage service, and guiding. DCST will continue to promote Ta Phin and its surrounding tourism assets, including nearby caves and the rich cultural traditions of the ethnic communities in the area. Such marketing and promotion activities will be supported by the Lao Cao Cultural Exchange and Tourist Information Center.

50. Major repairs and maintenance of the public toilets and parking area will be done by suitably qualified local contractors on the basis of a transparent bidding process and in accordance with the project's social and environmental safeguards. Funding for major maintenance and repairs of tourist facilities will be drawn from the DCST's annual budget.

51. **Maintenance of Roads and Associated Civil Works.** The Department of Transportation (DOT) will be responsible for maintenance of the 14.7 km access road to Ta Phin and Ban Khoang, including bridges, culverts, drainage systems, embankments and other related civil works. With the approval of the Lao Cai PPC funds for road maintenance will be drawn from the provincial budget.

52. Based on available projections of income and expenditure for the Lao Cai DOT, in 2018 the department will generate a surplus of D714 million rising to approximately D1,144 million in 2025. These figures exclude the capital costs of any new road or infrastructure construction that DOT will undertake during this period. Projections indicate that there will be adequate resources to meet the cost of both routine and periodic maintenance of existing roads in the province, including the access road to Ta Phin and Ban Khoang, over the period of 2018 to 2025.

53. Routine maintenance is calculated on the basis of \$700 km per year, every year after completion of the subproject in 2018. Periodic maintenance is calculated on the basis of \$3,200 per km to be carried out in 2022, five years after completion of the project. Annex 9 provides the details of estimated income and expenditure projections for the provincial DOT, including the costs of routine and periodic maintenance of the project road.

54. **Public Utilities and Services.** O&M of the mains water supply to the subproject will be the responsibility of the DPC through coordination with the Ta Phin village management committee. DCST and the community tourist group will be responsible for collection and temporary on-site storage of solid waste as part of their routine maintenance responsibilities. Removal of solid waste from the site and delivery to the landfill will be provided as an extension of the

² Parking charges at present are: motor cycles = D5,000 for a short time or D20,000 for the whole day; cars = D20,000 for a short time or D50,000 for the whole day.

³ These are presently collected by the DCST and Sapa People's Committee.

District's existing solid waste management system under the direction of the DPC. User charges will pay for this service and for the maintenance of public toilets using septic tanks.

2.4 Muong Phang Access Road Improvement

55. Dien Bien PIU will be responsible for overseeing the design, procurement of works and equipment, and supervision of the subproject.

56. **Subproject Description.** Muong Phang National Tourism Site is famous for its role as the Vietnamese command center during the battle of Dien Bien Phu. Situated 20 km east of Dien Bien City in Dien Bien Province, poor road conditions currently discourage tourists from visiting the site and also impede the local population's access to markets and services. To address these constraints, the subproject will (i) upgrade approximately 19 km of the existing Him Lam–Muong Phang access road to DBST standard with 5.5 m carriageway, roadside drainage, culverts, and embankment stabilization; (ii) rehabilitate two small bridges, (iii) construct two rest stops with viewing platforms, each with vehicle parking areas (1,000m²), vendor kiosks, and male and female public toilets blocks; (iv) enlarge the parking area by 2,000m² at the existing Muang Phang Tourist Reception Center and construct a small market with vendor kiosks, tourist rest pavilions, male and female public toilets blocks, rubbish bins, and landscaped public space; (v) upgrade existing footpaths and lighting within the Muong Phang historical site; (vi) install roadside lighting in villages and rest stops; (vii) upgrade water and electricity supply, wastewater, and solid waste management systems in the tourist reception center; and (viii) install directional and information signage at key locations.

57. Upon completion of improvements to the Muang Phang Tourist Reception Center, the Dien Bien DCST will continue to operate and maintain the facility. In coordination with the appropriate village management committees and newly formed community tourist groups, the DCST will oversee O&M for the two rest stops and associated facilities. Maintenance contracts will be awarded to suitably qualified local contractors from communities in and around Muong Phang, in accordance with the project's social and environmental safeguards.

58. To ensure efficient management of the tourist facilities and maximize opportunities for local job creation, select DCST staff and community members will receive project-supported training in: (i) accounting, bookkeeping and general financial management; (ii) micro- and small-enterprise development such as handicraft production and food and beverage service; (iii) heritage management and interpretation, including training to improve guide services; and (iv) tourism awareness, foreign language training and environmental management.

59. Incremental costs of O&M for the improved tourist facilities is minimal. Funds to support O&M will be drawn from surplus income generated by the Muong Phang Tourist Reception Center, augmented by an increase in entry fees to the historical site (currently D15,000 per person), parking fees, and nominal rent generated by market stalls. Rest stops will be managed and maintained directly by community-tourist groups under the supervision of the DCST.

60. **Maintenance of Roads and Associated Civil Works.** The Dien Bien Provincial People's Committee (PPC) will assign responsibility for maintenance of the 19 km access road to Muang Phang to the provincial DOT, including maintenance of all bridges, culverts, drainage systems, embankments and related civil works. With the approval of Dien Bien PPC, funds for all DOT maintenance works will be drawn from the provincial budget.

61. Based on projections of income and expenditure for the Dien Bien DOT, in 2018 the department will generate a surplus of D536 million rising to approximately D634 million in 2025. This surplus excludes the capital costs of any new road or infrastructure construction that DOT will undertake during this period. Projections indicate that the surplus generated will be adequate to meet the cost of routine maintenance of the 19km access road over the period 2018/19 to 2024/25. However, in 2022/23 when periodic maintenance with cost estimates of D1,277 million is due the DOT will incur a deficit of D716 million. In order to ensure the sustainability of the road, Dien Bien PPC will need to finance this deficit from the provincial budget.

62. Routine maintenance is calculated on the basis of \$700/km per year every year after completion of the road in 2018. Periodic maintenance is calculated on the basis of \$3,200 per km to be carried out in 2022/23, five years after completion of the project. Annex 10 provides the details of estimated income and expenditure projections for the provincial DOT, including the cost of routine and periodic maintenance.

63. **Public Utilities and Services.** O&M of the mains water supply to the subproject will be the responsibility of the DPC. DCST will be responsible for collection and temporary on site storage of solid waste as part of its routine maintenance responsibilities. Removal of solid waste from the site and delivery to the landfill will be provided as an extension of the district's existing solid waste management system under the direction of the DPC. User charges will pay for this service and for the maintenance of the wastewater treatment system (septic tanks). Dien Bien Power Company will be responsible for O&M of the power supply to the subproject.

2.5 Dien Bien Phu Cultural Exchange and Tourist Information Center

64. Dien Bien PIU will be responsible for overseeing the design, construction supervision, and procurement of equipment for subproject.

65. **Subproject Description.** The historic Dien Bien Phu Garrison site, on which the center will be built, is located in Thanh Truong Ward less than 1.0 km west of Dien Bien City. The site received approximately 450,000 visitors in 2012 and is the province's most popular tourist attraction. To help improve visitor management and create additional tourism-related jobs at the site, the subproject will: (i) construct a cultural exchange and tourism information center that includes exhibition areas and retail space for selling food, beverages, and handicrafts, (ii) construct public toilets, and parking; (iii) construct 2 km of internal footpaths and 10 free-standing open sided public rest pavilions with seating; and (iv) install directional signage and information boards in key locations.

66. **Operations and Maintenance of Tourist Facilities.** Upon completion of the project the Dien Bien DCST will assume responsibility for all aspects of operations and maintenance of the Cultural Exchange and Tourist Information Center (CETIC) and all associated facilities. In accordance with leasehold agreements with DCST, local micro and small enterprises and other commercial retailers and traders renting stalls and kiosks will be responsible for day-to-day maintenance of their leasehold properties. O&M of the audio visual equipment will be performed by trained CETIC staff. DCST will employ workers on both a full time and part time basis to perform routine maintenance, when possible from the surrounding Thanh Truong Ward. For major periodic maintenance works DCST, with PPC guidance, will award contracts to an appropriate Government department or to suitably qualified and experienced local contractors. The hiring of casual labor and the contracting of major maintenance works will be closely

monitored by DCST to ensure compliance with the project's social and environmental safeguards.

67. In order to ensure efficient operations, select management staff will receive project supported training in: (i) accounting, bookkeeping and general financial management; (ii) tourism awareness and environmental management; (iii) heritage management and interpretation, including training to improve guide services; and (iv) foreign language training. Staff will also receive training in various aspects of O&M of the new facilities. Micro and small enterprises that operate the stalls and kiosks in the center will have the opportunity to participate in project-supported training.

68. Based on the projected increase in visitor arrivals after project completion (504,000 in 2018 and just over 670,000⁴ in 2025), revenue generated by the CETIC will rise from about D12,678 million (almost \$604,000) to about D14,339 million (about \$629,000).⁵ This will be generated from (i) entry fees, which will be set at an average of D15,000 per person in 2018; (ii) vehicle parking charges based on an average of D20,000 per car/van and an assumption of five persons per vehicle for all visitors; (iii) rental of the 30 stalls and kiosks of variable sizes for which there will be a differential rental for local micro- and small-enterprises and formal retail and commercial traders;⁶ and (iv) use of public toilets (D2,000 per person, assumed 50% visitor use). The projections assume a 2% per annum increase in revenue over 2018-2025.⁷

69. Annual operational expenditure over the same (2018-2025) period will increase from about D2,440 million (about \$116,000) to D2,904 million (about \$138,000). The bulk of operational expenditure in 2018 will be for staff salaries (D1,239 million). Assumptions regarding staffing numbers and salaries are set out in Annex 3. Other major expenditure items are: (i) routine repair and maintenance of buildings, infrastructure, equipment and public open space; (ii) public service and utility charges including electricity and water supply, solid waste and waste water management; (iii) administrative office supplies and meeting expenses; (iv) marketing and promotion; (v) special festival expenses; (vi) continued post-project training for key management personnel; and (vii) other miscellaneous items such as insurance. All estimates are projected through to 2025 at an assumed 2% annual increase, except for salaries which are projected to increase at 3% per year.

70. Based on these projections of income and expenditure for the Dien Bien Phu Cultural Exchange and Tourist Information Center O&M of the facilities will be self sustaining, as shown in Annex 3. The site will generate a surplus, which after tax will rise from about D9,214 million (almost \$439,000) in 2018/19 to D 10,292 million (about \$490,000) in 2024/25.

71. **Maintenance of Roads, Footpaths and Associated Civil Works.** Maintenance of all roads, footpaths and related civil works within the 8.0 ha CETIC subproject site, including the vehicle parking area will be the responsibility of DCST. Where needed, and under the guidance and direction of the PPC, DCST will award the contract for major maintenance to the appropriate Government department (i.e. DOT) or a suitably qualified local contractor on the basis of a transparent bidding process. The award of such contracts will take into account the project's objectives of promoting local employment and the various safeguard provisions.

⁴ Arrivals in 2018 and 2025 comprise 22.3% international visitors.

⁵ Revenue projections do not include entrance fees for special events and cultural performances.

⁶ Rental of 15 stalls for local micro/small business enterprise @ \$60 (D1.26 million) per year, per unit.

Rental of 15 stalls to formal commercial traders @ \$200 (D4.2 million) per year, per unit.

⁷ Except for the price of kiosk rental, assumed to remain the same until 2025.

72. **Public Utilities and Services.** O&M of the mains water supply will be the responsibility of the Dien Bien Water Supply Construction Co Ltd. DCST will be responsible for the collection of and temporary on site storage of solid waste as part of its routine maintenance responsibilities. Removal of solid waste from the site and delivery to the existing Dien Bien landfill will be provided as an extension of the city's existing solid waste management system under the direction of the Dien Bien Urban Environment Construction Company. User charges will pay for this service and for the maintenance of the wastewater treatment system (septic tanks). Dien Bien Power Company will be responsible for O&M of the power supply. All utilities and service user charges will be collected by the DCST and paid to the service provider.

2.6 Nguyen Du Tourism Zone Environmental Improvements

73. Ha Tinh PIU in coordination with the Nguyen Du Management Unit (NDMU) will be responsible for design, procurement of works and equipment, and supervision of the subproject.

74. **Subproject Description.** Nguyen Du Tourism Zone is a special national relic dedicated to the revered Vietnamese poet Nguyen Du, currently comprising a cultural center and museum. Between 2010 and 2012 annual visitors doubled to 170,000 and are forecast to continue to grow rapidly in the coming years. To accommodate this surging growth and better present the heritage values of the site a master plan has been prepared. Specific elements of the master plan to be supported by the project include (i) construction of a memorial square⁸ together with public rest pavilions, access paths, landscaping and a vehicle parking area; (ii) upgrading of the existing open drainage canal and water retention areas; (iii) introduction of a solid waste management system with rubbish bins; (iv) installation of public toilets; (v) upgrading of the electricity supply and public lighting; and (vi) installation of signage and information boards.

75. **Operation & Maintenance Tourist Facilities.** Upon completion of the project NDMU with DCST support and PPC guidance will continue to operate and maintain all subproject facilities. As tourist numbers increase additional casual part-time workers will be hired to perform routine maintenance of public toilets, landscaped public open space and drainage canals. Recruitment of additional staff will be undertaken as an extension of existing arrangements, preferably sourcing workers from Tien Dien Commune. For major maintenance, NDMU, with PPC guidance, will award contracts to the appropriate Government department or to suitably qualified local contractors. The hiring of casual workers and contracting for major maintenance works will be closely monitored by DCST to ensure compliance with the project's social and environmental safeguards.

76. Based on the projected increase in visitor arrivals after project completion (315,000 in 2018 and 495,000 in 2025)⁹ revenue generated by the various tourist facilities will rise from D6,346 million (about \$302,000) to D9,947 million (about \$474,00). Sources of revenue include (i) entry fees to the cultural center and museum, which will be increased from D10,000/person at present to D15,000/person in 2018; (ii) vehicle parking charges based on an average of D20,000 per car/van and an assumption of five persons per vehicle for all visitors; (iii) the sale of official souvenirs; and (iv) the use of public toilets (D2,000/person and assumed 80% visitor use). Aside from the sale of souvenirs, projections assume a 2% per annum increase in revenue over 2018-2025.

⁸ Monuments erected in the square will not form part of the subproject but will be specially commissioned by the Museum Authorities.

⁹ Only a small proportion of visitors throughout the period are expected to be international.

77. Annual operational expenditure over the same period (2018-2025) will increase from about D1,430 million (\$68,100) to about D1,731million (\$82,400). The bulk of operational expenditure will be for the salaries of staff employed at the center and museum (D1,094 million). Assumptions regarding staffing numbers and salaries are set out in Annex 4. Other major expenditure items are: (i) routine repair and maintenance of buildings, infrastructure and public open space; (ii) public service and utility charges including electricity and water supply, solid waste and waste water management services; (iii) administrative office supplies and meeting expense; (iv) marketing and promotion; (v) special festival expenses; (vi) continued post-project training for key management personnel; and other miscellaneous items such as insurance. All 2018 estimates are projected through to 2025 at an assumed 2% annual increase, except for salaries which are projected to increase at 3% per year.

78. Based on these projections of income and expenditure for the Nguyen Du Tourism Zone, O&M of the tourism facilities will be self sustaining. The site will generate a surplus, which after tax will rise from about D4,427 million (about \$210,800) in 2018/19 to D7,395 million (about \$352,100) in 2024/25.

79. **Maintenance of Roads, Footpaths and Associated Civil Works.** There are no roads or associated civil works included in this subproject. Maintenance responsibility for the vehicle parking area and the drainage canal will rest with NDMU and DCST. When needed, and under the direction of the PPC, NDMU/DCST will award the contract for major maintenance to the appropriate Government department or a suitably qualified local contractor on the basis of a transparent bidding process. The award of such contracts will take into account the project's objectives of promoting local employment and the various safeguard provisions.

80. **Public Utilities and Services.** O&M of the mains water supply will be the responsibility of the Ha Tinh Water Supply & Construction Co. Ltd. NDMU will be responsible for the collection and temporary on site storage of solid waste as part of its routine maintenance responsibilities. Removal of solid waste from the site and delivery to the existing Ha Tinh landfill will be provided as an extension of the existing solid waste management arrangements provided by the Tien Dien Environment Cooperative. User charges will pay for this service and for the maintenance of the wastewater treatment system (septic tanks). Ha Tinh Power Company will be responsible for O&M of the power supply to the subproject. All utilities and service user charges will be collected by the NDMU and paid to the service provider.

2.7 Phu Tu Environmental Improvements

81. The Kien Giang PIU will be responsible for overseeing design, procurement of works and equipment, and supervision of the subproject. This will form part of a contract package that includes the Da Dung Cave Access Improvement subproject. At present the Phu Tu National Tourist Site is under the management of the Kien Giang Trade & Tourism Joint Stock Company. However, the Kien Giang Province People's Committee (PPC) will reassign management responsibility to the provincial DCST in 2014.

82. **Subproject Description.** Phu Tu National Tourist Site is situated in a pleasant seaside location approximately 60 km from the Viet Nam–Cambodia border. However, the site suffers from inadequate waste management systems and poor traffic management. To address these issues the subproject will (i) upgrade access roads to the site to DBST standard with 6.0 wide carriageway, lighting, and roadside drainage; (ii) construct two parking areas; (iii) upgrade seaside footpaths, public open spaces and public rest pavilions; (v) construct a visitor information/reception center and ticket office with associated facilities; (vi) construct a public

market with 60 stalls of variable sizes for the relocation of existing beach front stalls and informal vendors; (vii) upgrade existing public toilets and construct three new public toilets blocks with showers and changing rooms; (viii) rehabilitate the existing passenger pier; (ix) install the full range of supporting infrastructure and utilities, including improved water and electricity supply, solid waste management systems, and an upgraded waste water treatment system; and (x) install directional and information signage.

83. **Operations and Maintenance of Tourist Facilities.** Upon completion of the project the DCST will assume responsibility for operations and maintenance of all public tourist facilities as well as the main (700 m) access road, parking areas and associated civil works. In accordance with leasehold agreements, local micro- and small-enterprises and other commercial retailers and traders renting stalls and kiosks will be responsible for day-to-day maintenance of their leasehold properties. For routine maintenance the DCST will hire local workers from Bin An Commune or Kien Luong District. For major maintenance works, DCST, with PPC guidance, will award contracts to the appropriate Government department (i.e. DOT for roads or parking areas) or to suitably qualified local contractors. The hiring of casual workers and contracting for major maintenance works will be closely monitored by the DCST to ensure compliance with the project's social and environmental safeguards.

84. Selected management staff will receive project supported training in (i) accounting, bookkeeping and general financial management; (ii) tourism awareness and environmental management; and (iii) O&M of subproject facilities. Micro- and small-enterprises operating at the site will be provided with the full range of business support services and training offered by the project.

85. Based on the projected increase in visitor arrivals after project completion (432,600 in 2018 to around 641,300 in 2025)¹⁰ revenue generated by the various tourist facilities will rise from about D6,913 million (\$329,000) to about D10,169 million (\$484,238).¹¹ This will be generated from (i) entry fees, which will be increased from D5,000/person at present to an average of D15,000/person in 2018; (ii) vehicle parking charges based on an average of D20,000 per car/van and an assumption of five persons per vehicle for all visitors; (iii) rental of 60 stalls and kiosks of variable sizes to local micro- and small-enterprises (D1.26 million per year) and formal retail and commercial traders (D4 million per year); (iv) use of public toilets, changing rooms and showers (D2,000/person and assumed 80% visitor use). Projections assume a 2% per annum increase in revenue over 2018-2025.¹²

86. Annual operational expenditure over the same period (2018-2025) will increase from about D2,166 million (\$103,143) to about D2,580 million (\$122,857). The bulk is for staff salaries (D1,143 million). Other major expenditure items are (i) routine repair and maintenance of buildings, infrastructure, equipment and public open space; (ii) public service and utility charges including electricity and water supply and solid waste and waste water management; (iii) administrative office supplies and meeting expenses; (iv) marketing and promotion; (v) special festival expenses; (vi) continued post-project training for key management personnel; and other miscellaneous items such as insurance. All expenses are projected to increase by 2% annually, except for salaries which are projected to increase at 3% per year.

¹⁰ Only a small proportion of visitors throughout the period will be international

¹¹ Official 2012 revenue estimate: \$167,433 (D 3,349 million)

¹² Rental fees for stall and kiosks will remain the same until 2025.

87. Based on these projections of income and expenditure for management of the Phu Tu National Tourism Site, O&M of the tourism facilities will be self sustaining. The site will generate a surplus, which after tax will rise from about D4,273 million (\$203,476) in 2018/19 to D6,830 million (\$325,238) in 2024/25 (Annex 5).

88. **Maintenance of Roads and Associated Civil Works.** Upon completion of the subproject, the Kien Giang PPC will assign responsibility for the maintenance of all access roads to the provincial DOT, to include maintenance of all bridges, culverts, drainage systems, embankments and related civil works. With the approval of Kien Giang PPC and Ha Tien DPC, funds for all DOT maintenance works will be drawn from the provincial budget. The provincial DOT will also be responsible for maintenance of the main (2.0 km) access road to the Da Dung Caves.

89. Based on available projections of income and expenditure for the Kien Giang DOT, in 2018 the department will generate a surplus of D634 million rising to D1,032 million in 2025. These figures exclude the capital costs of any new road or infrastructure construction that DOT will undertake during this period. These projections indicate that there will be adequate resources to meet the cost of both routine and periodic maintenance of existing roads in the province, as well as the secondary 3.5 km access road to Phu Tu National Tourism site and the 2 km access road to Da Dung caves, over the period 2018 to 2025.

90. Routine maintenance is calculated on the basis of \$ 700 per km per year, every year after completion of the subproject in 2018. Periodic maintenance is calculated on the basis of \$3,200 per km to be carried out in 2022, five years after completion of the project. Annex 8 provides the details of estimated income and expenditure projections for the provincial DOT.

91. **Public Utilities and Services.** O&M of the mains water supply to the subproject will be the responsibility of the Kien Giang Water Supply and Drainage (One Member) Co Ltd. Funding for O&M will be drawn from user charges. DCST will be responsible for the collection and temporary storage of solid waste in the small purpose-built transfer station as part of its routine maintenance responsibilities. It will hire a local contractor to collect and manage temporary storage of solid waste at the site. Removal of solid waste and its delivery to the nearby Nam Bo land fill will be provided as an extension of Kien Luong District's existing solid waste management system. User charges levied on owners and operators of stalls and kiosks will fund this service. The present wastewater treatment system involving on-site septic tanks will be upgraded to one using anaerobic baffle reactors (ABR). Responsibility for O&M of the system will lie with the DCST, which will contract a private company to undertake periodic desludging and removal of sludge to a designated provincial treatment site. Kien Giang Power Company will be responsible for O&M of the power supply. User charges for all public utilities and services will be collected by the DCST and paid to the appropriate service providers.

2.8 Ba Den Mountain Environmental Improvements

92. The Tay Ninh PIU will be responsible for overseeing the design, procurement of works and equipment, and supervision of the subproject.

93. **Subproject Description.** Ba Den Mountain Park is an important pilgrimage site, located 11 km north-east of Tay Ninh City in Duong Minh Chau District, 52 km from the Viet Nam–Cambodia border. In 2012, the park received 2.4 million tourists, with more than half coming

during the Tet holiday period when arrivals reach 140,000 per day. The high volume of tourist arrivals are overwhelming public facilities and environmental services, resulting in degraded sanitary conditions and a public health and safety hazard for visitors and people living and working in the park. To address this, the subproject will (i) extend the public concourse surrounding the main religious buildings; (ii) install safety barriers, upgrade footpaths and build, rest shelters and kiosks; (iii) install additional male and female public toilets; (iv) construct a small tourist information center; (v) upgrade infrastructure and utilities including water supply, drainage, waste water treatment and solid waste management facilities, (vi) upgrade electricity supply and lighting in all public areas; and (vii) install directional and information signage.

94. **Operations and Maintenance of Tourist Facilities.** The Ba Den Mountain Park is presently managed by the Ba Den Management Board (BDMB).¹³ A draft master plan for the park has been prepared by the BDMB and is scheduled for approval in mid-2014. The proposed subproject activities are consistent with the provisions of the draft master plan.

95. Upon completion of the project BDMB will continue to assume overall responsibility for O&M of all public facilities and utilities provided by the project. In accordance with leasehold agreements, local micro- and small-enterprises and other commercial retailers that renting stalls and kiosks will be responsible for day-to-day maintenance of their leasehold properties.

96. For routine maintenance BDMB will hire local workers. For major maintenance works, BDMB will contract appropriate Government departments or suitably qualified local private contractors. The hiring of casual labor and contracting for major maintenance works will be closely monitored by DCST to ensure compliance with the project's social and environmental safeguards.

97. In order to ensure efficient operations, selected BDMB management staff will receive project supported training in (i) accounting, bookkeeping and general financial management; (ii) tourism planning and heritage management; and (iii) specialized O&M for the upgraded water supply system, mechanized service track, and waste water treatment plant. The project will also provide various types of micro- and small-enterprises support services and training to assist and expand the number of formal retail traders and informal vendors operating in the park. Marketing efforts will augment the focus on pilgrimage tourism, promoting the park as year round tourist destination.

98. Based on the projected increase in visitor arrivals after project completion (from 2,738,000 in 2018 to 3,632,000 in 2025) revenue generated by the subproject's various tourist facilities will rise from D54,799 million (about \$2.61 million) to D70,676 million (about \$3.37 million).¹⁴ This will be generated through (i) entry fees, which will be increased from D12,000 per person¹⁵ to an average of D15,000/person in 2018; (ii) vehicle parking charges based on an average of D20,000 per car/van and an assumption of five persons/vehicle for all visitors; (iii) the rental of the at least 25 new stalls and kiosks for local micro- and small-enterprises; (iv) use of public toilets (D2,000/person, assumed 50% visitor use). Projections assume a 2% per annum increase in revenue over the 2018-2025 period.¹⁶

¹³ The BDMB was established by official PPC decision in March 2009 and its operational roles and responsibilities further defined by a DCST decision of October 2009.

¹⁴ Official 2012 revenue estimate: about D 42,000 million (\$2.0 million) of which \$1.24 million was available for O&M after remittances to Government.

¹⁵ D6,000 for elderly persons and D5,000 for children.

99. Annual operational expenditure over the same period (2018-2025) will increase from D5,071 million (about \$241,000) to D6,036 million (about \$287,000). The bulk of operational expenditure will be for staff salaries. Other major expenditure items in 2018 are (i) routine repair and maintenance of buildings, infrastructure, equipment and public open space; (ii) public service and utility charges including electricity and water supply and solid waste and waste water management; (iii) office supplies and meeting expenses; (iv) marketing and promotion; (v) special festival expenses; (vi) post-project training for key management personnel; and other miscellaneous items such as insurance. All expenses are projected to increase by 2% annually, except for salaries which are projected to increase at 3% per year.

100. Based on these projections of income and expenditure for BDMB the O&M of tourism facilities in Ba Den Mountain park will be self-sustaining. The site will generate a surplus, which after tax will rise from about D44,755 million (about \$2.13 million) in 2018/19 to D58,177 million (about \$2.77 million) in 2024/25 (refer Annex 6). However, under present arrangements, BDMB are required to remit up to 80% of all earnings from the park's entrance ticket sales to the Government through the PPC. Revenue from entrance charges on average make up about 75% of total revenue, and so the continued remittance of this amount will have a significant effect on the amount of the overall surplus managed directly by BDMB.

101. **Maintenance of Roads, Footpaths and Associated Civil Works.** Other than the minor access road to the refuse transfer station, there are no significant road works involved in subproject development. Maintenance of this access road will be managed by the BDMB in coordination with the Tay Ninh Urban Public Works Company. BDMB will award the contract for major maintenance to the appropriate Government department or a suitably qualified local contractor on the basis of a transparent bidding process. The award of such contracts will take into account the project's objectives to promote local employment and safeguard provisions.

102. **Public Utilities and Services.** O&M of the mains water supply to be developed as an extension of the existing town water supply will be the responsibility of the Tay Ninh Water Supply and Drainage One Member Co. Ltd. In addition to its responsibilities for operating and maintaining on site reticulation, the company maintain the storage tanks and booster pumps needed to supply water with adequate pressure to the upper levels of the site. BDMB will be responsible for the collection and temporary on-site storage of solid waste before being removed by the Tay Ninh Urban Public Work Company Co. Ltd. The Tay Ninh Power Company will be responsible for O&M of power supply. User charges for all public utilities and services will be collected by the BDMB and paid to the appropriate service providers.

2.9 Huong Tich Pagoda Environmental Improvements

103. Ha Tinh PIU will be responsible for overseeing the design, supervision, and procurement of equipment for the Huong Tich Environmental Improvement subproject.

104. **Subproject Description.** Huong Tich Pagoda is set atop a forested hill in Thien Loc Commune, Can Loc District, about 20 km north of Ha Tinh City. In 2012, 240,000 tourists visited the pagoda, more than double the number in 2011. During festivals and public holidays the site can receive up to 30,000 visitors per day. However, inadequate facilities, water supply, sanitation, and solid waste and wastewater management is contributing to worsening environmental conditions. To address this, the subproject will (i) upgrade the existing tourist reception/information center by constructing food, beverage and souvenir kiosks, public toilets and an expanded parking area; (ii) construct a maintenance and charging facility for electric

cars that will be used to shuttle visitors around the site; (iii) upgrade the existing 5 km access track to DBST standard with 4.0–5.0 m carriageway, terminating at a 1,500m² parking area; (iv) upgrade footpaths and steps to include seating areas and rest stops with space for vendor kiosks; (v) expand the hilltop pagoda’s public concourse by 600m² and install kiosks, pavilions, safety barriers and handrails, and additional public toilets; (vi) upgrade infrastructure and utilities including the water supply, drainage, waste water treatment and solid waste management facilities, electricity supply and lighting to all public areas; and (vi) install directional and information signage.

105. **Operations and Maintenance of Tourist Facilities.** The site is managed by the Huong Tich Management Board (HTMB) which is under the supervision of the Can Loc District People’s Committee (DPC). A management plan for the site has been prepared and approved by the HTMB and DPC.

106. Upon completion of the project, HTMB will continue be responsible for managing the operations and maintenance of all upgraded infrastructure and utilities. In accordance with leasehold agreements, local micro- and small-enterprises and other commercial retailers and traders renting stalls and kiosks will be responsible for day-to-day maintenance of their leasehold properties. In accordance with the terms and conditions of the concessionary agreement covering operations of an electric car service within the site, the firm running this service will be responsible for O&M of the depot and maintenance and charging area for electric vehicles. The private companies already operating a cable car service linking the intermediate to upper levels of the site will be continue to be responsible for its O&M in accordance with the terms and conditions of the company’s concessionary agreements with HTMB.

107. For routine maintenance HTMB will hire local workers on a full-time or part-time basis responding to the demands of peak/non peak visitor volumes. For major maintenance works, HTMB with PPC/DPC guidance, will award contracts to the appropriate Government departments or to suitably qualified local private contractors. The hiring of casual labor and the contracting of major maintenance works will be closely monitored by DCST to ensure compliance with the project’s social and environmental safeguards.

108. To ensure efficient site management select HTMB staff will receive project-supported training for (i) accounting, bookkeeping and general financial management; (ii) tourism and environmental management; (iii) heritage management and interpretation; and (iv) foreign languages. Training will also be provided in O&M of subproject facilities such as the new wastewater treatment plant. Local vendors operating kiosks and other tourism related enterprises will also be provided with training and micro- and small-enterprise support services. Destination marketing will promote the pagoda and the surrounding area as a year-round tourist destination to encourage visitors at times other than festivals.

109. Based on the projected increase in visitor arrivals after project completion from around 365,600 in 2018 to 790,000 in 2025, revenue generated by the various tourist facilities will more than double from D7,344 million (about \$350,000) to D15,800 million (about \$752,400). This will be derived from (i) entry fees, which will be D15,000/person; (ii) vehicle parking charges based on an average of D20,000.per car/van and an assumption of five persons/vehicle for all visitors; (iii) rental of the at least 25 new stalls and kiosks for local micro and small-enterprises operators; (iv) use of public toilets (D2,000/person and an assumed 50% visitor use). Aside from kiosk rental (which will not increase until at least 2025) projections assume a 2% per annum increase in revenue over the 2018-2025.

110. Operational expenditure over the same period (2018-2025) will increase from D4,430 million (about \$211,000) to D5,276 million (about \$251,000). The bulk of operational expenditure will be for staff salaries (D2,326 million). Other major expenditure items are: (i) routine repair and maintenance of buildings, infrastructure, equipment and public open space; (ii) public service and utility charges including electricity and water supply, solid waste and waste water management services; (iii) administrative office supplies and meeting expenses; (vi) marketing and promotion; (vii) special festival expenses; (viii) continued post-project training for key management personnel; and other miscellaneous items such as insurance (D63 million). All expenses are projected to increase by 2% annually, except for salaries which are projected to increase at 3% per year.

111. Based on these projections of income and expenditure for HTMB, O&M of the tourism facilities in the Huang Tich Pagoda will be self-sustaining. The site will generate a surplus, which after tax will rise from about D2,622 million (about \$125,000) in 2018/19 to D9,488 million (about \$125,000) in 2024/25 (refer Annex 7). However, under present arrangements, HTMB is required to remit all revenue to the District Government for redistribution. This system will be reviewed during project implementation. Meanwhile, the District Government has assured that adequate funds to cover O&M of all project facilities will be made fully available in timely manner.

112. **Maintenance of Roads and Associated Civil Works.** Routine maintenance of all roads, footpaths, parking areas and associated civil works, including the 5 km access road, WWTP, and water supply are the direct responsibility of HTMB. For major maintenance HTMB will contract appropriate Government departments or a suitably qualified local contractor on the basis of a transparent bidding process. The award of such contracts will take into account the project's social and environmental safeguards and objectives of promoting local employment.

113. **Public Utilities and Services.** The mains water supply will be the responsibility of the Ha Tinh Water Supply and Construction One Member Co. Ltd. HTMB will be responsible for the collection and temporary on-site storage of solid waste as part of its routine maintenance responsibilities. Garbage will be removed from the purpose built transfer station and deposited in at the Ha Tinh landfill site by the Tien Loc Environmental Cooperative as part of existing district solid waste management services. The Ha Tinh Power Company will be responsible for O&M of power supply. Utilities and services charges will form part of rent to be paid to HTMB for the stalls and kiosks. HTMB will pay all utilities and service charges directly to the service providers.

Annex 1 Da Dung Cave Access Improvements

Revenue and Expenditure Statement

(D million)

Item	Year											
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
International Tourists	1,798	1,816	1,852	1,907	2,003	2,103	2,208	2,319	2,434	2,529	2,627	2,729
Domestic Tourists	96,049	98,930	101,898	104,955	110,203	117,917	128,529	141,382	155,521	163,763	172,443	181,582
Total Tourists	97,846	100,746	103,750	106,862	112,206	120,020	130,737	143,701	157,955	166,292	175,069	184,311
Revenue												
Entrance Fees												
International	27	27	28	29	30	32	33	35	37	38	39	41
Domestic	1,441	1,484	1,528	1,574	1,653	1,769	1,928	2,121	2,333	2,456	2,587	2,724
Parking Fees	391	403	415	427	449	480	523	575	632	665	700	737
Toilet Fees	98	101	104	107	112	120	131	144	158	166	175	184
Stall/Kiosk Rental					82	82	82	82	82	82	82	82
Total Revenue	1,957	2,015	2,075	2,137	2,326	2,482	2,697	2,956	3,241	3,408	3,583	3,768
Expenditure												
Staff Salaries					800.10	824	849	874	901	928	955	984
O&M Building/ Infrastructure					157.50	161	164	167	170	174	177	181
O&M Equipment					52.50	54	55	56	57	58	59	60
O&M Public Spaces					315	321	328	334	341	348	355	362
Utilities					158	161	164	167	170	174	177	181
Solid/ Wastewater Management					120	122	125	127	130	132	135	137
Office Supplies					42	43	44	45	45	46	47	48
Marketing and Promotion					42	43	44	45	45	46	47	48
Festival/ Special Events					63	64	66	67	68	70	71	72
Human Resource Development					21	21	22	22	23	23	24	24
Miscellaneous					21	21	22	22	23	23	24	24
Total Expenditure	-	-	-		1,791	1,835	1,880	1,926	1,973	2,022	2,072	2,123
Net income before tax					535	647	817	1,030	1,268	1,386	1,512	1,646
Provision for income tax					53	65	82	103	127	139	151	165
Net Income					481	582	735	927	1,141	1,247	1,361	1,481

Source: Kien Giang DCST.

Asian Development Bank estimates.

Annex 2: Lao Cai Cultural Exchange and Tourist Information Center

Revenue and Expenditure Statement

(D million)

Item	Year							
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
International Tourists	15,485	16,569	17,729	18,970	20,298	21,313	22,378	23,497
Domestic Tourists	26,749	28,622	30,625	32,769	35,063	36,816	38,657	40,590
Total Tourists	42,234	45,191	48,354	51,739	55,361	58,129	61,035	64,087
Revenue								
Entrance Fees (special events/cultural performances only)								
International	260	278	298	319	341	358	376	395
Domestic	449	481	515	551	589	619	649	682
Parking Fees	169	181	193	207	221	233	244	256
Toilet Fees	42	45	48	52	55	58	61	64
Stall/Kiosk Rental	82	82	82	82	82	82	82	82
Total Revenue	1,003	1,067	1,136	1,210	1,289	1,349	1,412	1,479
Expenditure								
Staff Salaries	780	803	827	852	878	904	931	959
O&M Building/ Infrastructure	420	428	437	446	455	464	473	482
O&M Equipment	210	214	218	223	227	232	236	241
Utilities	126	129	131	134	136	139	142	145
Solid/ Wastewater Management	105	107	109	111	114	116	118	121
Office Supplies	63	64	66	67	68	70	71	72
Marketing and Promotion	42	43	44	45	45	46	47	48
Festival/ Special Events	105	107	109	111	114	116	118	121
Human Resource Development	42	43	44	45	45	46	47	48
Miscellaneous	42	43	44	45	45	46	47	48
Total Expenditure	1,935	1,981	2,029	2,078	2,128	2,179	2,232	2,286
Net income before tax	(932)	(914)	(893)	(868)	(839)	(830)	(820)	(807)
Provision for income tax	-	-	-	-	-	-	-	-
Net Income	(932)	(914)	(893)	(868)	(839)	(830)	(820)	(807)

Source: Lao Cai DCST.

Asian Development Bank estimates.

Annex 3: Dien Bien Phu Cultural Exchange and Tourist Information Center
Revenue and Expenditure Statement
(D million)

Item	Year											
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
International Tourists	107,111	108,182	109,263	110,356	112,563	114,814	117,111	119,453	121,842	123,670	125,525	127,408
Domestic Tourists	372,337	376,060	379,820	383,619	391,291	399,117	407,099	415,241	423,546	429,899	436,348	442,893
Total Tourists	479,447	484,241	489,084	493,975	503,854	513,931	524,210	534,694	545,388	553,569	561,872	570,300
Revenues												
Entrance Fees												
International	2,142	2,164	2,185	2,207	2,251	2,296	2,342	2,389	2,437	2,473	2,510	2,548
Domestic	7,447	7,521	7,596	7,672	7,826	7,982	8,142	8,305	8,471	8,598	8,727	8,858
Parking Fees	1,918	1,937	1,956	1,976	2,015	2,056	2,097	2,139	2,182	2,214	2,247	2,281
Toilet Fees	479	484	489	494	504	514	524	535	545	554	562	570
Stall/Kiosk Rental					82	82	82	82	82	82	82	82
Total Revenue	11,986	12,106	12,227	12,349	12,678	12,930	13,187	13,449	13,717	13,921	14,129	14,339
Expenditure												
Staff Salaries					1,239	1,276	1,314	1,354	1,395	1,436	1,479	1,524
O&M Building/Infrastructure					420	428	437	446	455	464	473	482
O&M Equipment					210	214	218	223	227	232	236	241
Utilities					130.20	133	135	138	141	144	147	150
Solid/ Wastewater Management					147	150	153	156	159	162	166	169
Office Supplies					63	64	66	67	68	70	71	72
Marketing and Promotion					42	43	44	45	45	46	47	48
Festival/ Special Events					105	107	109	111	114	116	118	121
Human Resource Development					42	43	44	45	45	46	47	48
Miscellaneous					42	43	44	45	45	46	47	48
Total Expenditure	-	-	-	-	2,440	2,501	2,564	2,629	2,695	2,763	2,832	2,904
Net income before tax					10,238	10,429	10,623	10,821	11,022	11,159	11,297	11,436
Provision for income tax					1,024	1,043	1,062	1,082	1,102	1,116	1,130	1,144
Net Income					9,214	9,386	9,561	9,739	9,920	10,043	10,167	10,292

Source: Dien Bien DCST.
Asian Development Bank estimates.

Annex 4: Nguyen Du Tourism Zone Environmental Improvements
Revenue and Expenditure Statement
(D million)

Item	Year											
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
International Tourists	2,873	3,045	3,197	3,357	3,558	3,772	3,998	4,118	4,242	4,488	4,748	5,023
Domestic Tourists	242,096	266,306	279,621	293,602	311,218	329,891	349,685	367,169	385,528	417,526	452,181	489,712
Total Tourists	244,969	269,351	282,818	296,959	314,777	333,663	353,683	371,287	389,769	422,014	456,929	494,736
Revenue												
Entrance Fees												
International	43	46	48	50	53	57	60	62	64	67	71	75
Domestic	3,631	3,995	4,194	4,404	4,668	4,948	5,245	5,508	5,783	6,263	6,783	7,346
Parking Fees	980	1,077	1,131	1,188	1,259	1,335	1,415	1,485	1,559	1,688	1,828	1,979
Toilet Fees	245	269	283	297	315	334	354	371	390	422	457	495
Sale of souvenirs					53	53	53	53	53	53	53	53
Total Revenue	4,899	5,387	5,656	5,939	6,348	6,726	7,126	7,478	7,848	8,493	9,191	9,947
Expenditure												
Staff Salaries					1,094	1,126	1,160	1,195	1,231	1,268	1,306	1,345
O&M Building/ Infrastructure					42	43	44	45	45	46	47	48
O&M Equipment					21	21	22	22	23	23	24	24
Utilities					31.50	32	33	33	34	35	35	36
Solid/ Wastewater Management					42	43	44	45	45	46	47	48
Office Supplies					31.50	32	33	33	34	35	35	36
Marketing and Promotion					21	21	22	22	23	23	24	24
Festival/ Special Events					105	107	109	111	114	116	118	121
Human Resource Development					21	21	22	22	23	23	24	24
Miscellaneous					21	21	22	22	23	23	24	24
Total Expenditure	-	-	-		1,430	1,469	1,510	1,552	1,595	1,639	1,684	1,731
Net income before tax					4,918	5,257	5,616	5,927	6,253	6,854	7,507	8,216
Provision for income tax					492	526	562	593	625	685	751	822
Net Income					4,427	4,731	5,055	5,334	5,628	6,169	6,756	7,395

Source: Ha Tinh DCST.
Asian Development Bank estimates.

Annex 5: Phu Tu Environmental Improvements

Revenue and Expenditure Statement

(D million)

Item	Year											
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
International Tourists	454	477	501	526	557	591	626	664	704	739	776	815
Domestic Tourists	352,110	369,715	388,201	407,611	432,068	457,992	485,471	514,600	545,476	575,477	607,128	640,520
Total Tourists	352,564	370,192	388,702	408,137	432,625	458,583	486,098	515,264	546,179	576,216	607,904	641,335
Revenue												
Entrance Fees												
International	5	5	5	5	6	6	6	7	7	7	8	8
Domestic	3,521	3,697	3,882	4,076	4,321	4,580	4,855	5,146	5,455	5,755	6,071	6,405
Parking Fees	1,410	1,481	1,555	1,633	1,731	1,834	1,944	2,061	2,185	2,305	2,432	2,565
Toilet Fees	564	592	622	653	692	734	778	824	874	922	973	1,026
Stall/Kiosk Rental					164	164	164	164	164	164	164	164
Total Revenue	5,500	5,775	6,064	6,367	6,913	7,318	7,747	8,202	8,684	9,153	9,647	10,169
Expenditure												
Staff Salaries					1,143	1,177	1,212	1,249	1,286	1,325	1,365	1,406
O&M Building/ Infrastructure					231	236	240	245	250	255	260	265
O&M Equipment					105.00	107	109	111	114	116	118	121
O&M Public Spaces					52.50	54	55	56	57	58	59	60
Utilities					140.70	144	146	149	152	155	158	162
Solid/ Wastewater Management					231	236	240	245	250	255	260	265
Office Supplies					32	32	33	33	34	35	35	36
Marketing and Promotion					42	43	44	45	45	46	47	48
Festival/ Special Events					105	107	109	111	114	116	118	121
Human Resource Development					42	43	44	45	45	46	47	48
Miscellaneous					42	43	44	45	45	46	47	48
Total Expenditures	-	-	-		2,166	2,220	2,276	2,334	2,393	2,454	2,516	2,580
Net income before tax					4,747	5,097	5,470	5,868	6,291	6,699	7,131	7,588
Provision for income tax					475	510	547	587	629	670	713	759
Net Income					4,273	4,588	4,923	5,281	5,662	6,029	6,418	6,830

Source: Ha Tinh DCST.

Asian Development Bank estimates.

Annex 6: Ba Den Mountain Environmental Improvements

Revenue and Expenditure Statement

(D million)

Item	Year											
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
International Tourists	114,823	118,841	124,189	130,399	136,919	143,765	150,953	158,501	166,426	169,754	173,149	176,612
Domestic Tourists	2,181,631	2,257,988	2,359,597	2,477,577	2,601,456	2,731,529	2,868,105	3,011,510	3,162,086	3,225,328	3,289,834	3,355,631
Total Tourists	2,296,453	2,376,829	2,483,786	2,607,976	2,738,375	2,875,293	3,019,058	3,170,011	3,328,511	3,395,082	3,462,983	3,532,243
Revenue												
Entrance Fees												
International	1,722	1,783	1,863	1,956	2,054	2,156	2,264	2,378	2,496	2,546	2,597	2,649
Domestic	32,724	33,870	35,394	37,164	39,022	40,973	43,022	45,173	47,431	48,380	49,348	50,334
Parking Fees	9,186	9,507	9,935	10,432	10,953	11,501	12,076	12,680	13,314	13,580	13,852	14,129
Toilet Fees	2,296	2,377	2,484	2,608	2,738	2,875	3,019	3,170	3,329	3,395	3,463	3,532
Stall/Kiosk Rental					32	32	32	32	32	32	32	32
Total Revenue	45,929	47,537	49,676	52,160	54,799	57,537	60,413	63,432	66,602	67,933	69,291	70,676
Expenditure												
Staff Salaries					2,593.08	2,671	2,751	2,834	2,919	3,006	3,096	3,189
O&M Building/Infrastructure					420	428	437	446	455	464	473	482
O&M Equipment					105	107	109	111	114	116	118	121
O&M Public Spaces					147	150	153	156	159	162	166	169
Utilities					1,050	1,071	1,092	1,114	1,137	1,159	1,182	1,206
Solid/ Wastewater Management					315	321	328	334	341	348	355	362
Office Supplies					63	64	66	67	68	70	71	72
Marketing and Promotion					42	43	44	45	45	46	47	48
Festival/ Special Events					210	214	218	223	227	232	236	241
Human Resource Development					63	64	66	67	68	70	71	72
Miscellaneous					63	64	66	67	68	70	71	72
Total Expenditure	-	-	-		5,071	5,198	5,329	5,463	5,601	5,742	5,887	6,036
Net income before tax					49,728	52,339	55,084	57,969	61,001	62,191	63,404	64,641
Provision for income tax					4,973	5,234	5,508	5,797	6,100	6,219	6,340	6,464
Net Income					44,755	47,105	49,575	52,172	54,901	55,972	57,064	58,177

Source: Tay Ninh DCST.
Asian Development Bank estimates.

Annex 7: HuongTich Environment Improvement

Revenue and Expenditure Statement

(D million)

Item	Year											
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
International Tourists	3,937	4,331	4,547	4,775	5,252	5,777	6,355	6,991	7,690	8,497	9,389	10,375
Domestic Tourists	246,307	278,326	306,159	327,590	360,349	396,384	436,022	479,625	551,568	618,860	694,361	779,073
Total Tourists	250,244	282,657	310,706	332,365	365,601	402,162	442,378	486,615	559,258	627,357	703,750	789,448
Revenue												
Entrance Fees												
International	59	65	68	72	79	87	95	105	115	127	141	156
Domestic	3,695	4,175	4,592	4,914	5,405	5,946	6,540	7,194	8,274	9,283	10,415	11,686
Parking Fees	1,001	1,131	1,243	1,329	1,462	1,609	1,770	1,946	2,237	2,509	2,815	3,158
Toilet Fees	250	283	311	332	366	402	442	487	559	627	704	789
Stall/Kiosk Rental					32	32	32	32	32	32	32	32
Total Revenue	5,005	5,653	6,214	6,647	7,344	8,075	8,879	9,764	11,217	12,579	14,107	15,820
Expenditure												
Staff Salaries					2,326	2,396	2,468	2,542	2,618	2,696	2,777	2,861
O&M Building/Infrastructure					308.70	315	321	328	334	341	348	355
O&M Equipment					105	107	109	111	114	116	118	121
O&M Public Spaces					126	129	131	134	136	139	142	145
Utilities					703.50	718	732	747	761	777	792	808
Solid/ Wastewater Management					420	428	437	446	455	464	473	482
Office Supplies					63	64	66	67	68	70	71	72
Marketing and Promotion					42	43	44	45	45	46	47	48
Festival/ Special Events					210	214	218	223	227	232	236	241
Human Resource Development					63	64	66	67	68	70	71	72
Miscellaneous					63	64	66	67	68	70	71	72
Total Expenditure	-	-	-		4,430	4,542	4,657	4,775	4,896	5,020	5,147	5,278
Net income before tax					2,913	3,533	4,222	4,989	6,321	7,559	8,960	10,543
Provision for income tax					291	353	422	499	632	756	896	1,054
Net Income					2,622	3,179	3,800	4,490	5,689	6,803	8,064	9,488

Source: Ha Tinh DCST.
Asian Development Bank estimates.

Annex 8: Kien Giang Department of Transport Income and Expenditure
(D million)

Item	Year													
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income	515	620	1,308	1,386	1,469	1,557	1,651	1,750	1,855	1,966	2,084	2,209	2,342	2,482
Expenditure														
Salaries	420	470	720	756	794	833	875	919	965	1,013	1,064	1,117	1,173	1,231
Administration	21	35	43	45	48	50	53	55	58	61	64	67	70	74
Utilities	35	42	61	64	67	70	74	77	81	85	90	94	99	104
Total Expenditure	481	554	834	876	920	967	1,017	1,069	1,124	1,182	1,244	1,309	1,377	1,450
Operating Surplus (Deficit)	34	66	474	510	549	590	634	681	731	784	840	900	964	1,032
Maintenance														
Existing Road	65	87	110	121	133	146	168	194	223	256	294	339	389	448
Phu Tu Access Road								51	51	51	51	235	55	55
Da Dung Access Road								29	29	29	29	134	31	31
Total Maintenance	65	87	110	121	133	146	168	274	304	337	375	708	476	534
Surplus (Deficit)	(31)	(21)	364	389	416	444	466	406	427	447	465	192	488	498

Source: Kien Giang DOT.
Asian Development Bank estimates.

Annex 9: Lao Cai Department of Transport Income and Expenditure
(D Million)

Item	Year													
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income	758	952	1,142	1,211	1,284	1,361	1,442	1,529	1,621	1,718	1,821	1,930	2,046	2,169
Expenditure														
Salaries	170	180	240	252	265	278	292	306	322	338	355	372	391	410
Administration	40	55	58	61	64	67	70	74	78	82	86	90	94	99
Utilities	190	210	221	232	244	256	269	282	296	311	327	343	360	378
Training	50	73	80	84	88	93	97	102	107	113	118	124	130	137
Total Expenditure	450	518	599	629	660	693	728	764	803	843	885	929	976	1,024
Operating Surplus (Deficit)	308	434	543	582	623	667	714	764	818	875	936	1,001	1,070	1,144
Maintenance														
Existing Road	36	468	468	468	468	468	468	468	468	468	468	468	468	468
Ta Phin Access road								88	88	88	88	403	94	94
Ban Khoang Access road								128	128	128	128	585	137	137
Total Maintenance	36	468	468	468	468	468	468	684	684	684	684	1,456	699	699
Surplus (Deficit)	272	(34)	75	114	155	199	246	80	134	191	252	(455)	371	445

Source: Lao Cai DOT
Asian Development Bank estimates.

Annex 10: Dien Bien Department of Transport Income and Expenditure
(D Million)

Item	Year													
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income	700	780	850	901	955	1,012	1,073	1,137	1,206	1,278	1,355	1,436	1,522	1,614
Expenditure														
Salaries	170	180	240	252	265	278	292	306	322	338	355	372	391	410
Administration	40	55	58	61	64	67	70	74	78	82	86	90	94	99
Utilities	190	210	221	232	244	256	269	282	296	311	327	343	360	378
Training	50	73	80	84	88	93	97	102	107	113	118	124	130	137
Total Expenditure	450	518	599	629	660	693	728	764	803	843	885	929	976	1,024
Operating Surplus (Deficit)	250	260	291	307	338	458	486	536	522	558	577	561	589	634
Maintenance														
Existing Road														
Muong Phang Access Road								279	279	279	279	1,277	299	299
Total Maintenance								279	279	279	279	1,277	299	299
Surplus (Deficit)								257	243	279	298	(716)	290	335

Source: Dien Bien DOT
Asian Development Bank estimates

Annex 11: Salary and Staffing Assumptions

Viet Nam Salary & Staffing in Subprojects (2018)				
Da Dung Caves Access Improvement				
Staff Postion	No. persons	Salary/person/ year (\$)	Total/year (\$)	Total/year (VND '000)
Director	1	3,600	3,600	
General Manager	1	3,300	3,300	
Assistant Manager	1	3,000	3,000	
Accountant	1	2,160	2,160	
Admin. Assistant	1	1,800	1,800	
Ticketing Clerk	2	1,800	3,600	
Information Officer	n.a.			
Events Organizer/Designer	n.a.			
IT Technician	1	2,400	2,400	
Guide	n.a.			
General Maintenance	2	1,440	2,880	
Parking Attendant	2	1,440	2,880	
Security Guard	2	1,440	2,880	
Landscape gardener	2	1,440	2,880	
Casual Laborer (full time)	2	1,440	2,880	
Casual Laborer (part time)	4	960	3,840	
Total (\$)			38,100	800,100

Source: Kien Giang DCST

Viet Nam Salary & Staffing in Subprojects (2018)				
Lao Cai Cultural Exchange & Tourist Information Center				
Staff Postion	No. persons	Salary/person/ year (\$)	Total/year (\$)	Total/year (VND '000)
Director	1	3,600	3,600	
General Manager	1	3,300	3,300	
Assistant Manager	1	3,000	3,000	
Accountant	1	2,160	2,160	
Admin. Assistant	1	1,800	1,800	
Ticketing Clerk	2	1,800	3,600	
Information Officer	1	2,400	2,400	
Events Organizer/Designer	1	2,400	2,400	
IT Tecnician	1	2,400	2,400	
Guide	n.a.			
General Maintenance	2	1,440	2,880	
Parking Attendant	2	1,440	2,880	
Security Guard	2	1,440	2,880	
Landscape gardener	n.a.			
Casual Laborer (full time)	2	1,440	2,880	
Casual Laborer (part time)	1	960	960	
Total (\$)			37,140	779,940

Source: Lao Cai DCST

Viet Nam Salary & Staffing in Subprojects (2018)				
Dien Bien Cultural Exchange & Tourist Information Center				
Staff Postion	No. persons	Salary/person year (\$)	Total/year (\$)	Total/year (VND '000)
Director	1	3,600	3,600	
General Manager	1	3,300	3,300	
Assistant Manager	1	3,000	3,000	
Accountant	1	2,160	2,160	
Admin. Assistant	1	1,800	1,800	
Ticketing Clerk	2	1,800	3,600	
Information Officer	1	2,400	2,400	
Events Organizer/Designer	1	2,400	2,400	
IT Technician	1	2,400	2,400	
Guide	2	1,800	3,600	
General Maintenance	4	1,440	5,760	
Parking Attendant	2	1,440	2,880	
Security Guard	4	1,440	5,760	
Landscape gardener	4	1,440	5,760	
Casual Laborer (full time)	4	1,440	5,760	
Casual Laborer (part time)	5	960	4,800	
Total (\$)			58,980	1,238,580

Source: Dien Bien DCST

Viet Nam Salary & Staffing in Subprojects (2018)				
Nguyen Du National Special Tourism Zone. Environmental Improvement				
Staff Postion	No. persons	Salary/person year (\$)	Total/year (\$)	Total/year (VND '000)
Director	1	3,600	3,600	
General Manager	1	3,300	3,300	
Assistant Manager	1	3,000	3,000	
Accountant	1	2,160	2,160	
Admin. Assistant	1	1,800	1,800	
Ticketing Clerk	2	1,800	3,600	
Souvenir Stall Attendant	1	2,400	2,400	
Museum Officer/Historian	1	2,700	2,700	
Events Organizer/Designer	1	2,400	2,400	
IT Technician	1	2,400	2,400	
Musuem Guide	2	1,800	3,600	
General Maintenance	2	1,440	2,880	
Parking Attendant	2	1,440	2,880	
Security Guard	2	1,440	2,880	
Landscape gardener	4	1,440	5,760	
Casual Laborer (full time)	2	1,440	2,880	
Casual Laborer (part time)	4	960	3,840	
Total (\$)			52,080	1,093,680

Source: Ha Tinh DCST

Viet Nam Salary & Staffing in Subprojects (2018)				
Phu Tu National Tourism Site. Environmental Improvement				
Staff Postion	No. persons	Salary/person/ year (\$)	Total/year (\$)	Total/year (VND '000)
Director	1	3,600	3,600	
General Manager	1	3,300	3,300	
Assistant Manager	1	3,000	3,000	
Accountant	1	2,160	2,160	
Admin. Assistant	1	1,800	1,800	
Ticketing Clerk	2	1,800	3,600	
Information Officer	1	2,400	2,400	
Events Organizer/Designer	1	2,400	2,400	
IT Technician	1	2,400	2,400	
Guide	n.a			
General Maintenance	4	1,440	5,760	
Parking Attendant	4	1,440	5,760	
Security Guard	4	1,440	5,760	
Landscape gardener	4	1,440	5,760	
Casual Laborer (full time)	2	1,440	2,880	
Casual Laborer (part time)	4	960	3,840	
Total (\$)			54,420	1,142,820

Source: Kien Giang DCST

Viet Nam.Salary & Staffing in Subprojects (2018) ,				
Ba Den Mountain Environmental Improvement				
Staff Postion	No. persons	Salary/person/ year (\$)	Total/year (\$)	Total/year (VND '000)
Director	1	3,600	3,600	
General Manager	1	3,300	3,300	
Assistant Manager	1	3,000	3,000	
Accountant	2	2,160	4,320	
Admin. Assistant	3	1,800	5,400	
Ticketing Clerk	7	1,800	12,600	
TourismPlannig & Information Officer	2	2,250	4,500	
Events Organizer/Historical Research	1	2,500	2,500	
IT Technician	1	2,400	2,400	
Guide	2	1,800	3,600	
WWTP Manager	1	2,400	2,400	
General Maintenance	4	1,440	5,760	
Parking Attendant	4	1,440	5,760	
Security Guard	4	1,440	5,760	
Landscape gardener	4	1,440	5,760	
Casual Laborer (full time)	10	1,440	14,400	
Casual Laborer (part time)	40	960	38,400	
Total (\$)			123,460	2,592,660

Source: Tay Ninh DCST

Viet Nam Salary & Staffing in Subprojects (2018)				
Huong Tich Environmental Improvement				
Staff Postion	No. persons	Salary/person/ year (\$)	Total/year (\$)	Total/year (VND '000)
Director	1	3,600	3,600	
General Manager	1	3,300	3,300	
Assistant Manager	1	3,000	3,000	
Accountant	1	2,160	2,160	
Admin. Assistant	2	1,800	3,600	
Ticketing Clerk	2	1,800	3,600	
Information Officer	1	2,400	2,400	
Events Organizer/Designer	1	2,400	2,400	
IT Technician	1	2,400	2,400	
Guide	4	1,800	7,200	
WWTP Manager	1	2,400	2,400	
General Maintenance	6	1,440	8,640	
Parking Attendant	4	1,440	5,760	
Security Guard	6	1,440	8,640	
Landscape gardener	6	1,440	8,640	
Casual Laborer (full time)	10	1,440	14,400	
Casual Laborer (part time)	30	960	28,800	
Total (\$)			110,940	2,329,740

Source: Ha Tinh DCST