

Project Administration Manual

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Socialist Republic of Viet Nam: Greater Mekong
Subregion Tourism Infrastructure for Inclusive
Growth Project

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Project Administration Manual Purpose and Process

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

The Ministry of Culture, Sports and Tourism (MCST) and the Departments of Culture, Sports and Tourism (DCST) of Dien Bien Province, Ha Tinh Province, Lao Cai Province, Kien Giang Province and Tay Ninh Province are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the Borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by MCST and the DCSTs of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

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

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

ABBREVIATIONS

ADB	Asian Development Bank
ADF	Asian Development Fund
AFS	audited financial statements
AH	affected household
AP	affected person
ASEAN	Association of Southeast Asian Nations
CBO	community based organization
CQS	consultant qualification selection
CTG	community tourism group
DBST	double bituminous surface treatment
DCST	Department of Culture, Sports and Tourism
DOF	Department of Finance
DONRE	Department of Natural Resources and the Environment
DOT	Department of Transport
DMCBS	destination management capacity building support
DMF	design and monitoring framework
DMO	destination management organization
DMP	destination management plan
DMS	detailed measurement survey
DPC	District People's Committee
DPF	Department of Planning and Finance (MSCT)
EA	executing agency
EMDP	ethnic minority development plan
EMP	environmental management plan
FMPS	financial management and procurement support
GAP	gender action plan
GDP	gross domestic product
GMS	Greater Mekong Subregion
HIV	Human Immunodeficiency Virus
IA	implementing agency
IARS	imprest account reconciliation statement
ICB	international competitive bidding
IEE	initial environmental examination
Lao PDR	Lao People's Democratic Republic
LAR	land acquisition and resettlement
LFP	local focal points
MCST	Ministry of Culture, Sports and Tourism
MOF	Ministry of Finance
MPI	Ministry of Planning and Investment
MTCO	Mekong Tourism Coordinating Office
MTDP	Mekong Tourism Development Project
NCB	national competitive bidding
NGO	nongovernment organization
NPSC	national project steering committee
O&M	operations and maintenance
ODA	official development assistance
PAI	project administration instructions
PAM	project administration manual
PATA	Pacific Asia Travel Association
PCU	project coordination unit
PFM	public financial management
PIU	project implementation unit
PPC	Provincial People's Committee

PMCES	project management and civil engineering support
PPMS	project performance management system
PPP	public-private partnership
PPSC	provincial project steering committee
PRC	People's Republic of China
QBS	quality based selection
QCBS	quality- and cost-based selection
RP	resettlement plan
RRP	Report and Recommendation of the President to the Board
SAO	state audit organization
SBV	State Bank of Viet Nam
SEDS	Socio-Economic Development Strategy
SME	small and medium-sized enterprises
SOE	statement of expenditure
SPS	Safeguard Policy Statement
SPSC	subregional project steering committee
SPRSS	summary poverty reduction and social strategy
STDP	Sustainable Tourism Development Project
STDV	Strategy for Tourism Development in Viet Nam
TOR	terms of reference
TWG	Tourism Working Group
UNESCO	United Nations Educational, Scientific and Cultural Organization
VNAT	Viet Nam National Administration of Tourism

WEIGHTS AND MEASURES

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

NOTES

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

I. PROJECT DESCRIPTION

A. Rationale

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

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

3. Although the GMS is on track to attain its 2015 target of 52.02 million international arrivals, \$52.4 billion in tourism receipts, and 7.2 million tourism-related jobs, there is persistent inequity in the distribution of tourism benefits. Thailand earns \$25.4 billion annually, while the combined receipts for Cambodia, the Lao PDR, and Viet Nam are less than \$10.5 billion. There are also wide disparities in average tourism receipts per visitor, with Thailand generating \$1,138 compared to about 1,100 in Viet Nam, \$616 in Cambodia and \$154 in the Lao PDR. This is significantly less than the benchmark \$1,390 per visitor in Asia and the Pacific.

4. Viet Nam’s tourism profile. International visitor arrivals reached 6.84 million in 2012, a 14% increase compared to 2011. The direct contribution of travel and tourism to GDP is 4.5% and is expected to be 4.7% of GDP in 2025. International tourism receipts were equivalent to \$7.7 billion in 2012, sustaining 2.3 million jobs or 9.4% of total employment.² Over 60% of arrivals originate in Southeast and East Asia, with PRC, the Republic of Korea, Japan, and Cambodia as significant source markets. Average length of stay is about 7 days and average daily spending \$105. There are over 12,000 accommodation establishments with 235,000 bedrooms, of which 10,756 are rated 5-star. Between 2001 and 2010 the accommodation subsector expanded by 15.8% per year and cumulative investment totaled \$11 billion for 247 projects. There are approximately 800 international travel operators and 10,000 agencies catering to domestic tourists. International airports in Hanoi, Ho Chi Minh City, Hue and Can Tho are served by 40 airlines and receive about 56,000 scheduled inbound flights per year. Viet Nam offers pre-arranged visa-on-arrival for 182 countries and visa exemption for member states of the Association of Southeast Asian Nations (ASEAN).

5. Key issues and challenges. Despite possessing long stretches of pristine beaches and diverse historic and cultural assets, including 7 World Heritage Sites, Viet Nam’s tourism industry relies heavily on five main destinations: Ha Long Bay, Hanoi, Hue-Hoi An, Da Nang, and Ho Chi Minh City. Underinvestment in transport infrastructure and environmental services needed to catalyze private investment in new destinations is a major constraint. Although improving, low service standards and poor destination management prevents Viet

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

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

Nam from further increasing the value of its tourism industry, as illustrated by the 61% difference between the average daily room rate (\$122) and average revenue per available room (\$75). This is exacerbated by insufficient institutional support for micro- small and medium-sized enterprise development. Consequently, weak supply chain linkages between tourism and other industries results in about 30% of tourism receipts “leaking” back out of the country in the form of tourism-related imports.

6. Marketing efforts, such as the “*Viet Nam, Timeless Charm*” campaign, have had limited success in promoting new destinations and generating return visits. Despite recent establishment of the Tourism Advisory Board, public-private collaboration in marketing is infrequent. Similarly, the number of public-private partnerships that support tourism-related infrastructure development is low due to an incomplete legal and regulatory framework, scarcity of affordable finance, and a lack of robust prefeasibility studies. The tourism industry’s competitiveness is further undermined by policy and regulatory impediments that make it difficult to start a business, with Viet Nam currently ranking 99 out of 185 countries assessed in the World Bank’s *Doing Business Report*.³ Likewise, Viet Nam ranks 80 of 139 economies evaluated in the World Economic Forum *Travel and Tourism Competitiveness Index*, scoring low on indicators for environment, tourism infrastructure, health and hygiene, and tourism promotion.⁴

7. Sector priorities and investment plan. The Government’s Strategy for Tourism Development in Viet Nam to 2020, Vision to 2030 (STDV) forecasts 10.5 million international arrivals, 870,000 tourism-related jobs, and tourism receipts of \$19 billion in 2020. The 2005 Tourism Law provides the legal basis for the strategy, mandating the Ministry Culture, Sports and Tourism (MCST) and its specialized technical agency, the Viet Nam National Administration of Tourism (VNAT), to develop environmentally and socially sustainable tourism by focusing on the protection, promotion and development of cultural and historical tourism. The strategic thrusts are to (i) develop tourism into a spearhead economic sector; (ii) improve tourism quality, efficiency, brand recognition and competitiveness; (iii) promote international and domestic tourism, with a focus on attracting more higher-spending international visitors; (iv) protect cultural, historic and natural resources; and (v) increase domestic and international tourism investment.

8. The MCST recognizes that a well-functioning tourism industry requires effective coordination between many agencies and the provision of quality services by the private sector. In this context, the STDV provides public agencies with a blueprint for prioritizing sector investments in transport, urban development, education and training, and policy enhancements to facilitate private investment in tourism superstructure and related services.⁵ There are 7 priority programs covering all subnational areas.⁶

9. Related policies and strategies. The project is consistent with Viet Nam’s Socio-Economic Development Strategy (SEDS) 2011–2020, which sets out the government’s policies to transform Viet Nam into a modern industrialized nation by 2020. The SEDS underscores the need to shift from low cost manufacturing to higher efficiency, productivity and competitiveness as the basis for growth. It also stresses the need to strengthen social safety nets and improve the people’s material and spiritual life. Strategic priorities include (i) improving socialist-oriented market economy institutions, (ii) human resource development; and (iii) improving infrastructure, in particular the transportation network and urban

³ World Bank. 2013. *Doing Business 2013*. Washington DC.

⁴ World Economic Forum. 2011. *The ASEAN Travel and Tourism Competitiveness Report 2012*. Geneva.

⁵ Tourism superstructure includes all facilities that have been developed especially to respond to the demands of visitors.

⁶ The 7 programs aim to enhance (i) tourism product development, (ii) infrastructure and facilities, (iii) tourism-related human resources, (iv) marketing, promotion and branding, (v) investment promotion and policy enhancement, (vi) international cooperation, and (vii) public manage of tourism.

infrastructure. Preservation and promotion of cultural heritage and tourism features prominently in the SEDS and is expected to make a significant contribution to sustainable development.

10. Development coordination. The GMS Tourism Working Group (TWG), co-chaired by ADB, is the primary mechanism for coordinating regional tourism sector assistance.⁷ The TWG meets twice per year to review TSS implementation and identify policy priorities for elevation to the annual GMS Tourism Ministers' Meeting and the triennial GMS Summit. MCST leads coordination of tourism sector assistance at the national level, and in provinces through DCSTs. Other development partners active in tourism include Lux-Development, the European Union, GIZ, the International Trade Center, Japan International Cooperation Agency, New Zealand International Development Agency, the United Nations World Tourism Organization, World Wildlife Fund, and the Wildlife Conservation Society. The leading industry group is Pacific Asia Travel Association (PATA) with over 1,100 members. Development partners, PATA, and TWG members will join the project's semiannual subregional steering committee meetings, enabling effective information sharing and partnerships. Parallel financing opportunities will be actively sought during implementation.

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

12. Special features. The project will (i) strengthen collaboration between government, the private sector, civil society and local communities to improve tourism destination management; (ii) demonstrate how tourist entry fees and charges can help finance the maintenance of public goods such as heritage sites, roads, and environmental services; (iii) strengthen knowledge partnerships among GMS and ASEAN members; and (iv) leverage service-sector opportunities to accelerate widening of the GMS corridors into economic corridors by linking secondary tourism destinations with regional markets.

B. Impact and Outcome

13. The impact of the project will be increased tourism employment for people living in underdeveloped segments of the GMS Corridors. The outcome will be increased tourism receipts in Dien Bien, Ha Tinh, Kien Giang, Lao Cai, and Tay Ninh. By 2019 aggregate annual tourism receipts in the project provinces will increase to \$480 million, helping to

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

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

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

stimulate the creation of 85,000 additional tourism related jobs by 2025. Based on current workforce participation rates it is expected 60% of these jobs will be held by women.¹⁰

C. Outputs

14. The project has four outputs: (i) last-mile tourism access infrastructure improved; (ii) environmental services in cross-border tourism centers improved; (iii) strengthened institutional capacity to promote inclusive tourism growth; and (iv) effective project implementation and management. Project areas in Viet Nam include the provinces of Dien Bien, Ha Tinh, Kien Giang, Lao Cai and Tay Ninh. Dien Bien, Ha Tinh and Kien Giang are contiguous with project areas in the Lao PDR and Cambodia.

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

16. **Output 1: Last Mile Tourism Access Infrastructure Improved.** This output will upgrade transport infrastructure and public amenities to improve access to tourist destinations and attractions in underdeveloped segments of the GMS corridors with good tourism potential. It includes the following subprojects:

17. Da Dung Cave Access Improvement. Da Dung Cave complex is a national heritage site comprising 14 caves, located approximately 4 km from the Viet Nam–Cambodia border in My Duc Commune (population 6,000), Kien Giang Province. Although there were 93,233 mostly domestic visitors in 2012, a 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, public market, and landscaped green space; (iv) construct a 2,500m² parking area; (v) install male and female public toilets blocks and rubbish bins; (vi) upgrade water supply by laying a water main from the main road to the site; (vii) improve electricity supply and lighting along the access road and in public areas; (viii) improve wastewater and solid waste management systems; and (ix) install directional signage and information boards to present special features of the site.

18. Lao Cai Cultural Exchange and Tourist Information Center. Lao Cai received nearly 950,000 visitors in 2012, of which 40% were international tourists. While Lao Cai possess a wide range of cultural and natural attractions, the majority of tourism activity is centered on 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 travelers. To address these constraints, the subproject will construct a 3,000 m² cultural exchange and tourism information center in Lao Cai City, including (i) visitor

¹⁰ ADB. 2009. *Gender-Related Impacts of the Global Economic Slowdown in the Greater Mekong Subregion: Emerging Trends and Issues*. Manila.

information services, exhibitions, and cultural performance areas with high quality audio-visual equipment, (ii) a 3,200 m² parking area; and (iii) well-lit, public open spaces with vendor kiosks offering food and beverages, ethnic handicrafts and souvenirs. To ensure that visitors arriving by rail are aware of tourism and transportation services offered by the center, a small information kiosk will be set up at the Lao Cai railway station.

19. Ta Phin-Ban Khoang Access Road Improvement. Despite possessing interesting attractions such as an old monastery, caves, and rich cultural traditions, the predominantly ethnic Dao and Hmong settlements of Ta Phin and Ban Khoang in Lao Cai Province received only 7,500 visitors in 2012 and generated a modest \$5.8 per visitor. In comparison, tourist arrivals in the nearby town of Sapa reached 610,000 in 2012 and between 2011/12 grew at 17.0%. 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 male and female public toilets blocks and a 2,000m² parking area in Ta Phin; (v) install directional signage and information boards. As a result of the subproject approximately 7,200 people living along and near the improved access road are expected to benefit from increased tourism and better access to markets and services

20. Muong Phang Access Road Improvement. 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 Muong 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 and wastewater and solid waste management systems in the tourist reception area; and (ix) install directional and information signage at key locations. 9,800 people living in the vicinity of the improved access road are expected to benefit from increased tourism and better access to markets and services.

21. Dien Bien Phu Cultural Exchange and Tourist Information Center. Historic Dien Bien Phu Garrison is located in Thanh Truong Ward (population 4,450) less than 1.0 km west of Dien Bien City. The site received approximately 450,000 mostly domestic visitors in 2012 and is the provinces most popular tourist attraction. To help improve visitor management and create additional tourism-related jobs at the site, the subproject will (i) construct a 3,000 m² cultural exchange and tourism information center, including exhibition and cultural performance areas, high quality audio-visual equipment, and a full range of supporting infrastructure and utilities; (ii) construct a 5,000 m² parking area and well-lit, public open spaces with 20 vendor kiosks; (iii) construct 2.0 km of internal footpaths and 10 free-standing open sided public rest pavilions with seating; (iv) install directional signage and information boards in key locations; and (v) erect perimeter fencing and a guard house.

22. **Output 2: Environmental Services in Cross Border Tourism Centers Improved.** This output will improve environmental services in cross-border tourism centers to improve

sanitary conditions for the local population and tourists, and help to catalyze additional private investment in accommodations and other tourism-related enterprises. It includes the following components:

23. Phu Tu Environmental Improvement. Phu Tu National Tourist site is situated in Binh An Commune (population 11,000), Kien Luong District, and approximately 60 km from the Viet Nam–Cambodia border in Kien Giang Province. Phu Tu is set in a pleasant seaside location and received approximately 320,000 visitors in 2012. Official forecasts suggest that this number will continue to grow rapidly over the coming years. Lacking adequate waste management systems together with poor traffic management and uncontrolled encroachment onto the main access road, local tourism growth has created a public health hazard for visitors and the surrounding community. To address these issues the subproject will (i) upgrade the main (700 m) and secondary (3.5 km) access road to DBST standard with 6.0 wide carriageway, lighting, and roadside drainage; (ii) construct two parking areas covering 5,000 m² and 2,000 m²; (iv) upgrade seaside footpaths, public open spaces, and existing public rest pavilions; (v) construct a visitor information/reception center and ticket office with associated facilities; (vi) construct 60-70 single storey concrete-frame stalls of variable sizes to relocate small shops from the beach front and main access road into a market area with improved sanitation and drainage and that is better organized for tourist circulation and beach access; (vii) upgrade existing public toilet facilities and construct three new male and female public toilets blocks to include showers and changing rooms; (viii) rehabilitate the existing passenger pier; (ix) install a full range of supporting infrastructure and utilities including improved water and electricity supply, solid waste management systems, and an upgraded waste water treatment system (1,000 m³/day) based on high capacity septic tanks (anaerobic baffled reactor) and maintenance equipment; and (x) install directional and information signage at strategic locations.

24. Ba Den Mountain Environmental Improvement. Ba Den Mountain Park is an important pilgrimage site, located 11 km northeast 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. Significant tourist arrivals are overwhelming existing public facilities and environmental services, resulting in degraded sanitary conditions and a public health hazard for visitors and 7,500 people living and working in the park's vicinity. To address this, the subproject will (i) expand the public concourse surrounding the main religious buildings by approximately 3,000m²; (ii) install safety barriers and upgrade footpaths, including construction of rest shelters and kiosks; (iii) install additional male and female public toilets throughout the site; (iv) construct a small tourist information center; (v) upgrade electricity supply, outdoor lighting, and the gravity fed water supply and storage tanks; (vi) upgrade drainage and wastewater treatment, including construction of an on-site wastewater treatment plant with capacity of 1,500m³/day; (vii) upgrade solid waste management, including construction of a service track to remove rubbish from the mountain, 200 m access road to a refuse transfer bunker, and supply of compactor trucks and refuse bins; and (viii) install directional and information signage in strategic locations.

25. Huong Tich Environmental Improvement. Huong Tich Pagoda is a national tourism site set atop a forested hill in Thien Loc Commune (population 7,735), Can Loc District, about 20 km north of Ha Tinh City. In 2012, 240,000 tourists visited the pagoda, more than double the number recorded in 2011 despite generally poor access and lack of facilities. During festivals and public holidays the site can receive up to 30,000 visitors per day, with official forecasts predicting 658,000 visitors in 2015. Lacking water supply, sanitation and solid waste management services, rapid tourism growth is contributing to worsening public health hazards that threaten the safety of visitors and local residents. To improve environmental services and visitor management at the site, the subproject will (i) expand the existing parking area to 3,000m²; (ii) construct a tourist reception/information center with

public toilets, food and beverage kiosks, and 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; (vi) construct additional male and female toilet blocks; (vii) upgrade electricity supply, outdoor lighting and water supply, with booster pumps and storage tanks; (viii) upgrade drainage and wastewater treatment, including construction of an on-site wastewater treatment plant with capacity of 1,000 m³/day; (ix) upgrade solid waste management systems, supply rubbish bins, and a compactor truck; and (x) install directional and information signage in strategic locations.

26. Nguyen Du Tourism Zone Environmental Improvements. Nguyen Du Tourism Zone is situated in Tien Dien Commune (population 3,528), Nghi Xuan District, Ha Tinh Province. It is a special national relic dedicated to the revered Vietnamese poet Nguyen Du, recognized for his achievements by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as a Man of Culture. Between 2010 and 2012 annual visitors doubled to 170,000 and are forecast to continue to grow rapidly over the coming years. To accommodate 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 square¹¹ together with access paths, landscaping, and 2,000m² vehicle parking area; (ii) upgrade the existing open drainage canal and water retention areas; (iii) introduction of a solid waste management system with rubbish bins; (iv) install male and female public toilets blocks; (v) upgrade electricity supply and public lighting; (vi) construct two open-sided public rest pavilions; and (vii) install directional signage and information boards to present the life and work of Nguyen Du.

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

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

¹¹ Monuments erected in the square will not form part of the subproject but will be specially commissioned by the Museum Authorities.

29. Institutional Strengthening of Destination Management Organizations. This activity will establish suitable frameworks for destination planning, and strengthen policies and procedures needed to ensure the effective implementation of DMPs. It will provide training for DMO leaders and technical staff to prepare them to implement Output 3 activities, with a view to raise destination management practices to international standards.¹²

30. Preparation of Destination Management Plans. This activity will support DMOs and build capacity within them to develop comprehensive DMPs. DMPs will include a strategic vision and action plans articulating the roles of different stakeholders, a logical sequence of activities, and resource requirements for implementation and monitoring. Particular attention will be given to promoting public-private partnerships (PPP), implementing the ASEAN Tourism Standards, and equitable participation of women and ethnic groups.

31. Heritage Protection, Management and Interpretation Program. This activity will facilitate (i) development of culture, nature and historic heritage protection measures such as heritage zoning and associated regulations; (ii) preparation of heritage management plans; (iii) heritage protection awareness campaigns; (iv) heritage guide training;¹³ and (v) heritage research and interpretation, including the development of heritage trails, signage, leaflets, guidebooks and maps.

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

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

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

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

¹² See World Tourism Organization. (2007). *A Practical Guide to Tourism Destination Management*. Madrid.

¹³ Where feasible in partnership with the UNESCO Cultural Heritage Specialist Guide Training Programme.

tourist site operators improve solid waste management (i.e. reduce, reuse and recycling programs) and access municipal waste collection services.

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

37. Program to Combat Child Exploitation and Human Trafficking. This activity will build on existing country/regional efforts to map out the occurrence of child exploitation (including child sex and child labor) and human trafficking in the tourism industry, and incorporate measures in DMPs to help prevent and enforce laws against these crimes.¹⁴

38. Table 1 lists the destinations and respective DMOs that have been prioritized for support under Output 3 by the MCST and DCSTs, as well as linked Output 1 and 2 infrastructure subprojects.

Table 1: Institutional Strengthening for Destination Management Priorities

Destination	Destination Management Organization	Linked infrastructure subproject
National-level		
Viet Nam	Vietnam National Administration of Tourism (VNAT) in conjunction with the Vietnam Tourism Association	<ul style="list-style-type: none"> ▪ Dien Bien Phu Cultural Exchange and Tourist Information Center ▪ Muong Phang Access Road Improvement ▪ Huong Tich Environmental Improvement ▪ Nguyen Du Cultural Exchange and Tourist Information Center Improvement ▪ Da Dung Cave Access Improvement ▪ Phu Tu Environmental Improvement ▪ Lao Cai Cultural Exchange and Tourist Information Center ▪ Ta Phin Access Road Improvement ▪ Ba Den Mountain Environmental Improvement
Subnational-level		
Eight Northern Highland Provinces	Eight Northern Highland Provinces (Dien Bien, Hoa Binh, Lai Chau, Lao Cai, Phu Tho, Son La, Yen Bai and Ha Giang; Lao Cai Province is leading)	<ul style="list-style-type: none"> ▪ Dien Bien Phu Cultural Exchange and Tourist Information Center ▪ Muong Phang Access Road Improvement ▪ Lao Cai Cultural Exchange and Tourist Information Center ▪ Ta Phin Access Road Improvement
Provincial-level		
Dien Bien Province	DCST, in conjunction with the Dien Bien Tourism Association	<ul style="list-style-type: none"> ▪ Dien Bien Phu Cultural Exchange and Tourist Information Center ▪ Muong Phang Access Road Improvement
Ha Tinh Province	DCST, in conjunction with the Ha Tinh Tourism Association	<ul style="list-style-type: none"> ▪ Huong Tich Environmental Improvement ▪ Nguyen Du Cultural Exchange and Tourist Information Center Improvement
Kien Giang Province	DCST, in conjunction with the Kien Giang Tourism, Commerce and Investment Promotion Center	<ul style="list-style-type: none"> ▪ Da Dung Cave Access Improvement ▪ Phu Tu Environmental Improvement
Lao Cai Province	DCST, in conjunction with the Lao Cai Tourism Association	<ul style="list-style-type: none"> ▪ Lao Cai Cultural Exchange and Tourist Information Center ▪ Ta Phin Access Road Improvement

¹⁴ The project will collaborate with the Child Safe Tourism Campaign, in cooperation with World Vision, the United Nations Office on Drugs and Crime, and Interpol, active in Cambodia, the Lao PDR, and Viet Nam.

Destination	Destination Management Organization	Linked infrastructure subproject
Tay Ninh Province	DCST, in conjunction with the Tay Ninh Tourism Association	▪ Ba Den Mountain Environmental Improvement
Site-level		
Dien Bien Province		
Dien Bien Phu Historical Landscape	DCST	▪ Dien Bien Phu Cultural Exchange and Tourist Information Center ▪ Muong Phang Access Road Improvement
Ha Tinh Province		
Huong Tich National Tourism Site	Huong Tich National Tourism Site Management Board	▪ Huong Tich Environmental Improvement
Thien Cam National Tourist Site	Thien Cam National Tourist Site Management Board	-
Nguyen Cultural Exchange and Tourist Information Center	Nguyen Du National Tourist Site Management Board	▪ Nguyen Du Cultural Exchange and Tourist Information Center Improvement
Kien Giang Province		
Da Dung Caves	Da Dung Caves Management Board	▪ Dung Cave Access Improvement
Phu Tu National Tourist Site	Phu Tu National Tourist Site Management Board	▪ Phu Tu Environmental Improvement
Lao Cai Province		
Sapa	DCST, in conjunction with the Sapa Tourism Association	▪ Ta Phin-Ban Khoang Access Road Improvement
Tay Ninh Province		
Ba Den Mountain	Ba Den Mountain Management Board	▪ Ba Den Mountain Environmental Improvement
Logo – Xa Mat National Park	Logo – Xa Mat National Park Management Board	-

DCST = Department of Culture, Sports and Tourism, VNAT = Vietnam National Administration of Tourism.

39. Output 4: Effective Project Implementation and Management

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

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

42. Financial Management and Procurement Training. This activity will train PCU and PIU staff in financial management and procurement procedures acceptable to ADB and the government. It will improve their capability to implement internationally acceptable accounting systems and procedures, internal controls¹⁵, and financial planning and reporting.

¹⁵ An effective control environment includes internal control systems that provide assurance that financial records are reliable and complete and adhere to financial management policies. (*Handbook for Borrowers on the Financial Management and Analysis of Projects*, December 2006, available at: <http://www.adb.org/documents/handbook-borrowers-financial-management-and-analysis-projects>)

Initial training will be carried out by consultants with experience in ADB financial management guidelines. Later, PCU/PIU staff will be invited to participate in periodic in-country disbursement seminars conducted by ADB's Controller's Department to continuously build their capacity manage the project's finances according to ADB disbursement policies, guidelines and procedures.

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

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

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

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

47. GMS Tourism Statistics Harmonization. This activity will facilitate harmonization of the collection, analysis and reporting of GMS tourism statistics according to internationally accepted practice such as those set by the World Tourism Organization. It will provide resources to (i) hold joint workshops to agree on uniform survey, analysis, and reporting formats; (ii) train National Tourism Organization staff in the production of uniform reports; (iii) publish and disseminate the reports; and (iv) establish a mechanism for the Mekong Tourism Coordinating Office (MTCO) to consolidate the country reports and systematically publish them on its GMS tourism statistics webpage.¹⁶

48. GMS Marketing and Promotion Program. This activity will support joint marketing and promotion of multi-country tour circuits as prioritized by the GMS Tourism Working Group. It will provide resources to (i) plan regional marketing and promotion initiatives; (ii) support jointly-agreed activities such as multi-country familiarization tours for investors, tour

¹⁶ This activity will be implemented in close coordination with TA 8516 Strengthening the Mekong Tourism Coordinating Office 2013–2015 (approved October 2013), which will prepare a GMS tourism knowledge management platform, and create a website and online tools that will aggregate and distribute up-to-date information on tourism industry performance based on user demand, including tourism statistics.

operators, and the media; (iv) produce targeted promotional materials (print and electronic); and (iii) support DMOs organization/participation in international tourism forums and trade events.

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

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

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

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

Table 2: Project Readiness Activities

Activity	2014							Who responsible
	Mar	Apr	May	Jun	Jul	Aug	Sep	
Advance actions for procurement			X	X	X	X	X	ADB and EA
Approval of safeguards documents		X	X					ADB
Disclosure of safeguards documents		X	X					ADB and EA
ADB Staff Review Meeting			X					ADB
Establishment of NPSC				X				EA
Establishment of PPSCs				X				EA
Establishment of PCU and PIUs			X					EA
Loan negotiations					X			ADB and EA
Recruitment of consulting firms					X	X	X	EA
ADB Board approval						X		ADB
Government budget inclusion	X					X		EA
Loan signing							X	ADB and EA
Loan effectiveness (approx. 2-3 months after Loan signing)								ADB and EA

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

B. Overall Project Implementation Plan

52. The project is expected to be implemented over a period of 5 years, from 31 December 2014 until 31 December 2019. The overall project implementation plan is shown in Table 4. The plan will be updated annually by MCST and ADB based on actual physical progress.

Table 3: Detailed Project Readiness Filters

Remarks	Stage 1 Draft Concept Paper	Stage 2 By Fact Finding	Stage 3 Before SRM/MRM	Stage 4 Before Loan negs	Status As of July 2014
CORE ADVANCE ACTIONS					
Advance actions reflected in the project documents	Included in CP	Included in FF MOU, PAM and procurement plan	AA plan highlighted in the issues paper		Advance action on CR and first year goods agreed w/EA and in PAM. VRM staff consultant assisting with AA.
National consultant hired to help the EA drafting the PDO	TORs included in CP and funded by PPTA				PDO approved in March 2014.
Final PDO draft and F/S agreed between ADB and Government		PD includes advance actions	F/S includes advance actions		PDO endorsed by MCST on 15 November 2013(No. 4216/BVHTTDL-KHTC) . Approved by PM in March.
Preparation of EOI, RFP and bidding documents by the EA		Once PDO is approved			Draft RFP for consultants prepared.
Line Ministry/PPC officially approves PMU establishment		Once PDO is approved			PCU already established under L2457-VIE.
Procurement plan, bidding documents, TORs and RFPs are ready in a final draft		Once PDO is approved			In/attached to PAM.
Resettlement Plan Framework is approved			Once F/S is approved		RP's endorsed by govt. and cleared by RSDD.
Line Ministry/PPC approves the procurement plan. PMU issues bidding documents and EOIs			Once F/S is approved	BDs/EOIs issued	Documents will be issued upon approval of procurement plan.
PROCUREMENT/CONSULTING					
PPTA procurement consultant TOR includes preparation of procurement assessment, procurement plan, potential SOE issues and advance actions	TORs included in CP				Yes/Done
Procurement assessment ready		Shared with VRM procurement staff for comments			Yes/Submitted with MOU. Reviewed inter-departmentally/comments incorporated.
NCB Annex is explained to the PMU		NCB Annex is reproduced as an annex to the MOU			Yes/Submitted with MOU. In PAM.
Small consulting packages to be funded by counterpart funding		Reflected in the procurement plan		This filter is non-negotiable	Will have 2 firms (QCBS). No small Packages except lump-sum auditor.
Consulting and procurement packages are merged into few and large packages		Reflected in the procurement plan		This filter is non-negotiable	Yes, as above.

Remarks	Stage 1 Draft Concept Paper	Stage 2 By Fact Finding	Stage 3 Before SRM/MRM	Stage 4 Before Loan negs	Status As of July 2014
Government procurement decision-making structure is clear. This includes (i) who is authorized to endorse and approve procurement that falls within the cost estimate; (ii) who is authorized to endorse and approve procurement costing more than the cost estimate		The structure is clearly indicated in PAM			Table of Procurement Decision Making Authority included in Procurement of Goods, Works and Consulting Services section of the PAM
PROJECT MANAGEMENT					
Project start-up consultant TOR (2 individuals) funded by PPTA to help advertising loan implementation consulting firm and 1 st year bidding documents	Included in CP	Start-up consultants mobilized		EOI and BDs issued	VRM consultant is being provided for this purpose.
PPTA period must cover the period until at least loan effectiveness	Included in CP				PPTA period is sufficient and will be extended if necessary.
Maximum 5 participating provinces in the project		Mentioned in PO and MOU		This filter is non-negotiable	There are 5 provinces.
Competitive mechanisms are developed to allow IAs to compete for unallocated funds and loan savings.		Mechanism developed in MOU and PAM	Mechanism mentioned in the issues paper	This filter is non-negotiable	PAM states unallocated funds and loan savings will be reallocated to PIUs that perform well.
ADB will approve CVs of key EA and/or IA staff before effectiveness or as a loan condition. This includes as a minimum: (i) An English-speaking CPMU procurement officer (ii) English-speaking CPMU technical deputy project director (iii) Chief accountant in CPMU.		EA/IAs are made aware of this requirement		This filter is non-negotiable	Requirement is reflected in PCU/PIU job descriptions in PAM.
Selection of permanent CPMUs/PPMUs with staff who have prior exposure to ADB	The PPTA searches for professional PMUs	PMU assessments are made in MOU			The proposed PCU staff and Director have 8 yrs experience administering ADB financed projects.
Project director must be young enough to complete the project before his/her retirement (F: 55y, M: 60y)		EA/IAs are made aware of this requirement			Compliant.
Prepare memo to VP for early approval of advance actions		Memo prepared when back in HQ. No need to wait for SRM/MRM			Advance contracting and retroactive financing not envisioned.
ENGINEERING					
PPTA TORs include preparation of technical designs	Included in CP				Preliminary designs and drawings prepared.
Determine if detailed engineering design (DED) will be completed before loan approval. If yes, identify the source (counterpart, PPTA, PPSSF etc)		MOU will assess progress of DED			N/A
Designs and cost estimates are agreed with EAs		Included in MOU			Agreed and in the PAM.

Remarks	Stage 1 Draft Concept Paper	Stage 2 By Fact Finding	Stage 3 Before SRM/MRM	Stage 4 Before Loan negs	Status As of July 2014
FINANCIAL MANAGEMENT					
Financial management assessment ready		Shared with VRM disbursement unit staff for comments			Completed. Reviewed inter-departmentally and comments incorporated.
Project specific financial management manual developed		Shared with VRM disbursement unit staff for comments			Will utilize existing manual from past projects, to be adjusted at start-up.
Standard audit TOR for ADB-funded projects in Viet Nam is used. Only eligible audit firms can be awarded contracts		Included in PAM			Template and docs provided by VRM included in PAM.

RESETTLEMENT					
PPCs/District PCs are aware of the project	PPC/DPC endorsements to receive PPTA consultants are obtained, prior to mobilization	Differences between ADB and Government regulations are recorded in the MOU			PPCs have been involved in every step of resettlement planning. Differences and policy actions outlined in loan fact finding MOU attachment.
Land acquisition and resettlement issues identified	Included in CP	Assessed and discussed with PPCs			Assessed and addressed in the endorsed RPs, which have been discussed with the PPCs.
Preparation of Resettlement Policy Framework and a model subproject resettlement plan by the PPTA	TORs Included in CP	Included in PPTA report and RPF posted on EAs website			RPs have been prepared for all subprojects with IR impacts. All are approved by the government and disclosed on ADB website.

AA = advanced action; ADB = Asian Development Bank; BD = bidding documents; CP = country program; CPMU = central project management unit; CR = consultant recruitment; CV = curriculum vitae; DED = detailed engineering design; DPC = District People's Committee; EA = executing agency; EOI = expression of interest; F/S = feasibility study; HQ = headquarters; IEE = initial environmental examination; MRM = management review meeting; MOU = memorandum of understanding; MPI = Ministry of Planning and Investment; MCST = Ministry of Culture, Sports and Tourism; MRM = management review meeting; NCB = national Competitive Bidding; ODA = official development assistance; PAM = Project Administration Manual; PIU = project implementation unit; PMU = project management unit; PO = Project Outline; PPC = Provincial People's Committee; PPMU = provincial project management unit ; PPSSF = project preparation and startup support facility ; PPTA = project preparatory technical assistance; RFP = request for proposal; RP = resettlement plan; RRP = Report and Recommendations to the President; SOE = Statement of Expenditure; SRM = staff review meeting; TOR = terms of reference; VRM = Viet Nam Resident Mission.

Table 4: Project Implementation Plan

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

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

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations – Roles and Responsibilities

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

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

55. National Project Steering Committee (NPSC). The NPSC will provide policy guidance and oversee project implementation at the national level. The NPSC will be chaired by the Deputy Minister, MCST and its members will include senior officials representing the Ministry of Finance, Ministry of Planning and Investment, and the Deputy Chairpersons of the Provincial People's Committees (PPC) of the participating provinces, and other members appointed by the Chairperson. The NPSC will meet at least once per year. The PCU will act as the NPSC Secretariat.

56. Project Coordination Unit (PCU). The PCU will be embedded in MCST's Planning and Finance Department and comprise a project director from MCST, augmented by externally contracted staff including a deputy director, chief accountant, procurement and safeguards officers, civil works coordinator, training and monitoring staff and other administration and support staff appointed by the project director.

57. Provincial Project Steering Committees (PPSC). The PPSC will oversee project implementation at the provincial level. The PPSC shall be chaired by a Deputy-Chairperson of Provincial People's Committees, and shall further include representatives from the provincial departments of Culture, Sports and Tourism, Planning and Investment, Finance, Treasury, Natural Resources and Environment, Construction, Transport, Women's Union, and Fatherland Front. The PPSC will meet at least once per year. The PIU will act as the PPSC Secretariat.

58. Project Implementation Units (PIUs). PIUs will be embedded in the Provincial Department of Culture, Sports and Tourism (DCST) of Dien Bien, Ha Tinh, Lao Cai, Kien Giang and Tay Ninh. Each PIU will comprise of a director from the DCST, augmented by externally contracted staff including a deputy director, chief accountant, procurement and safeguards officers, civil works coordinator, and other professional, administration and support staff. PIUs will lead the implementation of infrastructure subprojects and tourism capacity building activities, with support for reporting, financial management, safeguards, and knowledge management provided by the PCU and consultants. PIUs will administer project sub-accounts. Implementation of regional and subnational activities involving more than one province will be led by the PCU in close coordination with PIU staff and tourism industry stakeholders.

59. Local Focal Points (LFP). To ensure that there is good coordination between the PCU, PIUs and project beneficiaries LFPs will be established in community based organizations (CBO), village development committees, community tourism groups and industry associations. If there are no active CBOs or industry associations in project areas, assistance will be extended to form them.¹⁷

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

Table 5: Management Roles and Responsibilities

Management Entity	Roles and Responsibilities
Subregional Project Steering Committee	<ul style="list-style-type: none"> ➤ Provide policy guidance; ➤ Coordinate subregional activities; ➤ Facilitate knowledge sharing on sustainable tourist destination management models in the GMS.
National Project Steering Committee	<ul style="list-style-type: none"> ➤ Provide policy guidance and advice on project-related issues; ➤ Oversee implementation in conformity with the project's development objectives and scope; ➤ Review overall project outputs and achievement towards project impact and outcome; ➤ Assist in coordination among local government agencies involved in project implementation and related activities; ➤ Review progress and monitoring reports and ensure that information on project progress is disseminated to relevant government agencies and address any planning and coordination issues arising; ➤ Facilitate permissions to ensure the timely release of funds to the PCU and PIUs; ➤ Facilitate the selection of counterpart staff; ➤ Ensure the timely approval of work permits and visas for international staff working on the project.
Executing agency (MCST)	<ul style="list-style-type: none"> ➤ Approves the project's annual workplan and budget; ➤ Overall responsibility for the execution of the project; ➤ Reviews the project implementation progress; ➤ Reviews and endorses any proposed change in the project scope or implementation arrangements; ➤ Supervises compliance with loan covenants; ➤ Provides oversight for financial management of the project.
Project Coordination Unit (embedded within MCST's Planning and Finance Department)	<ul style="list-style-type: none"> ➤ Project preparation, including the establishment of financial and management systems and procedures, procurement of equipment, management of the project's imprest account; ➤ Administer the project imprest account for the ADB loan ➤ Consultant recruitment and supervision; ➤ Preparation and submission of rolling annual workplans, consolidating PCU-led activities and provincial workplans received from PIUs for approval by the Deputy Minister, MSCT, who is also Chairperson of the National Project Steering Committee; ➤ Ensure compliance with loan covenants and assurances in respect of all subprojects, including updating of IEE, EMPs, EMDP and RPs; ➤ Procurement and approval of all PCU-managed NCB goods contracts and all ICB civil works contracts; ➤ Approving payments and maintaining disbursement records for PCU-managed contracts; ➤ Coordination between the concerned agencies at the national and provincial levels; ➤ Coordination of activities of the PIUs and the inputs of concerned stakeholders;

¹⁷ This could include community tourism groups such as site management committees, guide association, transport associations, etc.

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

ADB = Asian Development Bank, DCST = Department of Culture, Sports and Tourism, DMO = destination management organization, GAP = gender action plan, IEE = initial environmental examination, EMDP = ethnic minority development plan, LFP = local focal point, MCST = Ministry of Culture, Sports and Tourism, RP = resettlement plan, PCU = project coordination unit, PIU = project implementation unit, PPP = public-private partnership, SME = small and medium-sized enterprise

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

Table 6: PCU and PIU Staff Job Descriptions

Position	Job Description	Requirements
PCU staff		
National Project Director	The PCU-based National Project Director (NPD) reports to the National Project Steering Committee (NPSC) on the overall supervision and implementation of the project and ensures that the NPSC, Subregional Project Steering Committee (SPSC) and ADB are kept informed of project developments, issues and progress. The NPD oversees the work of PCU and PIU staff, and the recruitment and performance of international and national consultants, ensuring budgets and work plans are approved and executed on time and on target. The NPD approves procurement of NCB works contracts, PCU-led goods contracts and consulting services within agreed cost estimates.	A senior government official with at least 10 years project management experience. Prior ADB approval of CV of proposed candidate for this position is required.
National Project Deputy Director	The PCU-based National Project Deputy Director (NPDD) reports to the NPD, and assists the NPDD to ensure effective coordination and implementation of the project. The NPDD's main duties involve assisting the PIU's prepare and implement detailed rolling annual workplans and budgets. The NPDD will oversee consultant recruitment and procurement, and implementation of the Project Performance Management System (PPMS), including monitoring of environmental and involuntary resettlement, implementation of the poverty reduction and social strategy, ethnic minority development plan (EMDP) and gender action plans (GAP). The NPDD will further be responsible for ensuring that the day-to-day management and administration of the project implementation is in line with Government and ADB regulations and guidelines. The Project National Project Deputy Director serves as NPD in the absence of the NPD.	A senior manager with at least 8 years project management experience. Prior ADB approval of CV of proposed candidate for this position is required.
Chief Accountant	The PCU-based Chief Accountant (CA) reports to the National Project Director, overseeing the day-to-day financial management of the project. The CA, supported by the financial management and procurement consultants, will (i) facilitate the establishment of the necessary accounts at the PCU/PIU level as required by ADB, (ii) establish the required accounting, withdrawal approval and audit systems and procedures, (iii) set up accounting software in line with project requirements, (iv) complete the terms of reference for audit institutions, (v) develop bid evaluation criteria for procurement in accordance with ADB guidelines, (vi) establish a system for safekeeping of tender documents, minutes of committee meetings, contracts and financial and audit reports; (vii) prepare financial projections against the work plans, (viii) carry out a financial management and procurement training program for PIU staff; (ix) provide ongoing training and coaching to PCU and PIU's as needed, and (x) supervise the preparation of regular financial reports for transmission to the EA, relevant ministries and the ADB. The CA will also ensure that the project complies with the Government's and ADB procurement and financial management regulations and guidelines.	A senior financial manager with at least 6 years previous experience as accountant on ADB or internationally financed projects. Ability to use accounting and word processing software. Prior ADB approval of CV of proposed candidate for this position is required.

Position	Job Description	Requirements
Procurement Officer	The PCU-based Procurement Officer (PO) reports to the Financial Controller (FC) and, under the direction of the FC, manages all aspects of procurement of goods, works and services of the project, especially verifying and ensuring that procurement is carried out in accordance with ADB and Government rules and procedures. The PO works closely with the national and international Financial Management and Procurement Specialists.	A degree in financial management or related field with at least 5 years of experience working on procurement in internationally financed projects.
Civil Works Coordinator	The PCU-based Civil Works Coordinator (CWC) reports to the NPD, and is responsible for the supervision and coordination of all technical aspects of Output 1 & 2 infrastructure subprojects, and ensures compliance with national standards, codes, laws and regulations. The CWC works closely with and advises the PIU Civil Works Coordinator and the civil engineering consultants.	A civil engineer with at least 5 years of experience overseeing civil works components of internationally financed projects.
Safeguards Officer	The PCU-based Safeguards Officer (SO) reports to the NPDD, and oversees compliance with the project's environmental and social safeguards. The SO (i) facilitates the implementation of the IEE, EMPs, EMDP and RPs, and ensures integration of safeguards into activity design and implementation under all four project outputs; and, (ii) establishes and maintains a system for organizing all safeguards documents and reports for easy retrieval. The Safeguards Officer works closely with the safeguards and social development consultants.	A degree in social science and at least 5 years work experience in social development, preferably on internationally financed projects.
Training and Monitoring Officer	The PCU-based Training and Monitoring Officer (TMO) reports to the NDD, and oversees the implementation of all output 3 destination management capacity building activities at the national level, and supports the PIU Training and Capacity Building Officers implement output 3 activities at provincial level, including (i) the development of training materials, recruitment of local resource persons, identification and selection of training participants, logistical arrangements for the trainings and pre and post-training evaluations; (ii) technical assistance to the destination management organizations (DMOs) on the preparation of destination management plans (DMPs) and supporting the DMOs in the implementation of the DMPs and (iii) identification of micro- and small-enterprise support services needed in the project area; (iv) planning and implementing product development, marketing, and promotional activities; and (v) the implementation of the project's PPMS. The TMO works closely with the tourism, MSE development and monitoring and evaluation consultants.	A relevant degree with at least 5 years of experience working on training and monitoring in the context of internationally financed projects.
Financial Controller	The PCU-based Financial Controller (FA) reports to the National Project Director and the Chief Accountant (CA), and (i) assists the CA with the establishment of the required accounting, withdrawal approval and audit systems and procedures; (ii) oversees day-to-day project financial accounting activities; (iii) monitors the flow of funds to the PCU and PIUs; (iv) provides training and coaching to PIU's as needed; (v) monitors cash flow; (vi) ensures that accurate, up-to-date information regarding the project's finances is available to the CA, NPDD and NPD upon demand; (vii) prepares regular financial reports; and assists external auditors carry out the annual audit.	A senior financial specialist with at least 5 years previous experience in financial management of internationally financed projects, preferably projects financed by ADB.

Position	Job Description	Requirements
Accountant	The PCU-based Accountant reports to the CA, and (i) performs day-to-day project financial accounting activities, in particular the production of financial records; (ii) assists with monitoring of flow of funds to the PIUs; (iii) assists with training and coaching to PIU's as needed; (iv) assists with monitoring of cash flow; (vii) and prepares information at the request of the CA for regular financial reporting to the EA and the ADB.	At least 3 years previous experience as accountant, preferably on internationally financed projects. Ability to use accounting and word processing software.
Cashier and Bookkeeper	The PCU-based Cashier and Bookkeeper (CB) reports to the PCU Accountant, and assists with day-to-day project financial accounting activities. The CB is in particular responsible for (i) disbursement of petty cash; and (ii) recording of project-related financial transactions in accordance with ADB and Government regulations and guidelines, and the reporting of these records to the CA.	At least 3 years previous experience as cashier and/or bookkeeper. Ability to use accounting and word processing software.
Office Manager	The PCU-based Office Manager (OM) reports to the NPDD, overseeing the day-to-day operations of the PCU, including (i) maintenance of equipment and materials in the PCU, (ii) maintenance of the project filing system; (iii) preparation of correspondence for the project management team; (iv) making travel arrangements; (v) taking minutes at meetings; and (vi) supporting the overall efficient function of the PCU office facility.	At least 5 years previous experience as an office manager. Ability to use word processing software and the internet.
Driver	The PCU-based driver (i) safely and responsibly operates the PCU project vehicle at the request of the NPD, NPDD or OM; (ii) ensures that the vehicle is maintained in good condition; and (iii) reports any damage or mechanical malfunctions that exist to the OM.	At least 3 years previous experience as project driver. A valid driver's license and able to safely operate the project vehicles.
PIU Staff		
PIU Director	The PIU Director reports to the Provincial Project Steering Committee (PPSC), providing overall supervision of the project at the provincial level, ensuring the PPSC is kept informed of project developments, issues and progress. The PIU Director coordinates with related government agencies, especially the PPC, and development partners in the implementation of civil works subprojects and capacity building activities and supervises and approves all project activities and PIU expenditures. The PIU Director approves procurement of PIU-led goods contracts (NCB and shopping).	A senior government official with at least 8 years of experience managing publically financed projects. Prior PCU approval of CV of proposed candidate for this position is required.
PIU Deputy Director	The PIU Deputy Director reports to the PIU Director, and oversees the day-to-day implementation and monitoring of all PIU activities. The PIU Deputy Director prepares rolling annual project workplans, activity proposals, budgets, and activity reports for submission to the PCU, coordinates at provincial level the implementation of the Project Performance Management System (PPMS), including monitoring of environmental and involuntary resettlement, implementation of the poverty reduction and social strategy, ethnic minority development plan (EMDP) and gender action plans (GAP). The Project Deputy Director serves as Director in the absence of the PIU Director.	A senior manager with at least 5 years of experience managing publically financed projects. Prior PCU approval of CV of proposed candidate for this position is required.

Position	Job Description	Requirements
Chief Accountant	The PIU-based Chief Accountant reports to the PIU Deputy Director, and oversees the establishment and monitoring the PIUs accounting systems and procedures, tracks the use of project funds, and ensures accurate, up-to-date financial accounting information is available to the PIU Director and PCU Financial Controller and assists external auditors carry out the projects annual audit of PIU accounts.	At least 5 years of experience managing publically financed projects. Prior PCU approval of CV of proposed candidate for this position is required.
Procurement Officer	The PIU-based Procurement Officer reports to the PIU Deputy Director and manages all aspects of procurement of goods, works and services of the project at provincial level, especially verifying and ensuring that procurement is carried out in accordance with ADB and Government rules and procedures. The PIU Procurement Officer works closely with PCU Procurement Officer the national and international Financial Management and Procurement Specialists.	A degree in financial management or related field with at least 5 years of experience supporting procurement for internationally financed projects.
Civil Works Coordinator	The PIU-based Civil Works Coordinator reports to the PIU Deputy Director, and oversees the implementation of all output 1 and 2 civil works, related O&M activities, and compliance with safeguards at provincial level. The Civil Works Coordinator works closely with the PCU-based Civil Works Coordinator and the civil engineering consultants on detailed design, obtaining approvals from provincial and local authorities, preparation of bidding documents, supervision of the civil works contracts and preparation and implementation of O&M plans.	A civil engineer with at least 5 years of experience overseeing civil works components of internationally financed projects.
Safeguards Specialist	The PIU-based Safeguards Specialist reports to the PIU Project Deputy Director, and ensures implementation and monitoring of social and environmental safeguards in accordance with ADB's SPS 2009 and Government regulations. The Safeguards Specialist works closely with the international and national the PCU-based Safeguards Specialists and safeguards consultants on institutional strengthening and capacity building, updating provincial IEE/EMPs and RPs, monitoring and preparing quarterly reports on safeguards compliance.	A degree in social science and at least 5 years work experience in social development, preferably on internationally supported projects.
Training and Monitoring Officer	The PIU-based Training and Monitoring Officer reports to the PIU Deputy Director, and oversees and coordinates the implementation of all output 3 destination management capacity building activities at the provincial level, including (i) the development of training materials, recruitment of local resource persons, identification and selection of training participants, logistical arrangements for the trainings and pre and post-training evaluations; (ii) technical assistance to the destination management organizations (DMOs) on the preparation of destination management plans (DMPs) and supporting the DMOs to implement DMPs and (iii) identification of micro- and small-enterprise support services needed in the project area; (iv) planning and implementing product development, marketing, and promotional activities; and (v) assist with the implementation of the project's PPMS. The Training and Monitoring Officer works closely with the PCU Training and Capacity Building Officers and tourism, MSE development and monitoring and evaluation consultants.	A relevant degree with at least 5 years of experience working on training and monitoring for internationally supported projects.

Position	Job Description	Requirements
Accountant	The PIU-based Accountant reports to the PIU Chief Accountant, and (i) assists with establishment of the PIU's accounting system and procedures, (ii) perform the day-to-day financial record keeping; (iii) prepares budget requests to accompany project activity proposals for submission to the PCU; (iv) ensures that accurate, up-to-date financial accounting information is available to the Chief Accountant; (v) contributes to the regular financial reports for transmission to the PCU; and (vi) assists external auditors carry out the projects annual audit of PIU accounts.	At least 5 years previous experience as accountant on ADB or internationally financed projects. Ability to use accounting and word processing software.
Cashier and Bookkeeper	The PIU-based Cashier and Bookkeeper reports to the PIU Accountant, and assists with day-to-day project financial accounting activities. The Cashier and Bookkeeper is in particular responsible for (i) disbursement of petty cash; and (ii) recording of project-related financial transactions in accordance with ADB and Government regulations and guidelines, and the reporting of these records to the PIU Accountant.	At least 3 years previous experience as cashier and/or bookkeeper. Ability to use accounting and word processing software.
Office Manager	The PIU-based Office Manager reports to the PIU Deputy Director, and oversees the day-to-day operations of the PIU, including (i) maintenance of equipment and materials in the PIU, (ii) maintenance of the project filing system; (iii) preparation of correspondence for the project management team; (iv) making travel arrangements; (v) taking minutes at meetings; and (vi) supporting the overall efficient function of the PIU office facility.	At least 5 years previous experience as an office manager. Ability to use word processing software and the internet.
Driver	The PIU-based driver (i) safely and responsibly operates the PIU project vehicle at the request of the PIU Director, Deputy Director or Office Manager; (ii) ensures that the vehicle is maintained in good condition; and (iii) reports any damage or mechanical malfunctions that exist to the Office Manager.	At least 3 years previous experience as project driver. A valid driver's license and able to safely operate the project vehicles.

ADB = Asian Development Bank; CV = curriculum vitae; DCST = Department of Tourism; DMO = destination management organization; DMP = destination development plan; EMP = environmental management plan; GAP = gender action plan; IEE = initial environmental examination; EMDP = ethnic minority development plan; MCST = Ministry of Culture, Sports and Tourism; O&M = operations and maintenance; RP = resettlement plan; PCU = project coordination unit; PIU = project implementation unit.

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Culture, Sports and Tourism (MCST)

Mr. Ho Viet Ha
Director, Department of Planning and Finance
Ministry of Culture, Sports and Tourism
+84 (0)4 39435343 (office), +84 (0)903285458 (mobile)
vietha181@yahoo.com

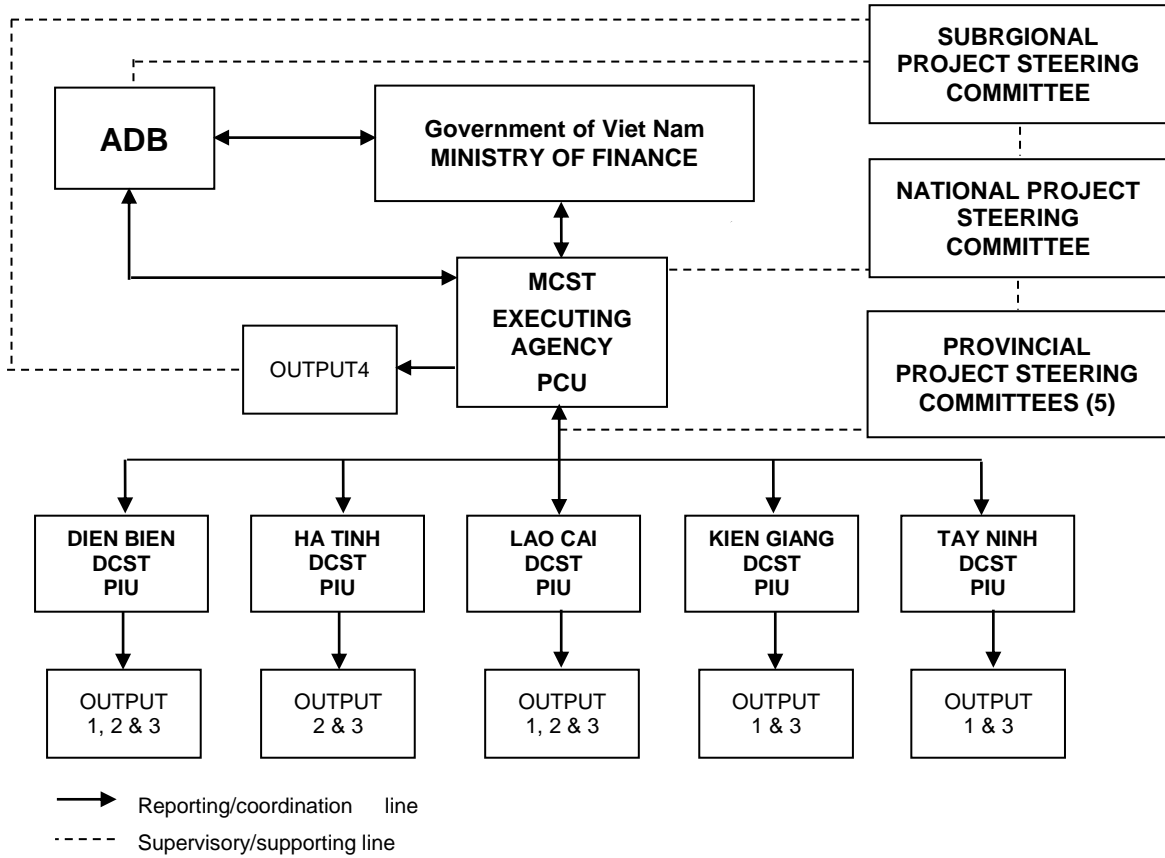
Asian Development Bank

Mission Leader

Mr. Steven Schipani
Social Sector Specialist
+844 3933 1373
sschipani@adb.org

C. Project Organization Structure

Figure 1: Project Organization Structure



ADB = Asian Development Bank, DCST= Department of Culture, Sports and Tourism, MCST = Ministry of Culture, Sports and Tourism, PCU = project coordination unit, PIU = project implementation unit.

IV. COSTS AND FINANCING

62. The project is estimated to cost \$55.08 million (Table 7).

Table 7: Project Investment Plan (\$ million)

	Item	Amount ^a
A	Base Cost^b	
	Output 1: Last Mile Tourism Access Infrastructure Improved	
	1.1: Da Dung Cave Access Improvement	1.82
	1.2: Lao Cai Cultural Exchange and Tourist Information Center	1.80
	1.3: Ta Phin-Ban Khoang Access Road Improvement	7.40
	1.4: Upgrading of Access Road to Muong Phang Tourism Site	7.01
	1.5: Dien Bien Phu Cultural Exchange and Tourist Information Center	1.41
	Output 2: Environmental Services in Cross Border Tourism Centers Improved	
	2.1: Phu Tu Environmental Improvement	7.09
	2.2: Ba Den Mountain Environmental Improvement	5.61
	2.3: Huong Tich Environmental Improvement	6.26
	2.4: Nguyen Du Tourism Zone Environmental Improvements	1.53
	Output 3: Institutional Capacity to Promote Inclusive Tourism Growth Strengthened	1.90
	Output 4: Effective Project Implementation and Knowledge Management	6.83
	Subtotal (A)	48.66
B	Contingencies^c	4.33
C	Financing Charges During Implementation^d	2.09
	Total (A+B+C)	55.08

^a Includes taxes and duties of \$4.38 million to be financed from government and ADB loan resources.

^b In mid-2013 prices.

^c Physical contingencies computed at 5% for civil works, equipment, consulting services and training and capacity building. Price contingencies computed using cost escalation factors of –1.5% to 0.5% progressively for foreign costs and 6.5% to 6.0% for local costs, including provision for potential exchange rate fluctuation assuming purchasing power parity exchange rates.

^d Includes interest charges during implementation for the ADB loan computed at 2% per annum.

Source: Asian Development Bank estimates.

63. The government has requested a loan in the amount of SDR 32,360,000 from ADB's Special Funds resources to help finance the project. The loan will have a 25-year term, including a grace period of 5 years, an interest rate of 2.0% per annum during the grace period and thereafter, and such other terms and conditions set forth in the draft financing agreement. There are no commitment charges.

64. The financing plan is in Table 8. The project will be financed by ADB through a \$50.0 million loan. The government's counterpart financing is \$5.08 million equivalent. ADB will finance: (i) 100% of consulting services, including taxes; (ii) 100% of financing charges during implementation; (iii) 100% of civil works, exclusive of taxes and duties; (iv) 100% of equipment, exclusive of taxes and duties; (v) 100% of training and capacity building, including taxes; and (vi) a portion of incremental administration/recurrent costs, including taxes.¹⁸ The Borrower (Socialist Republic of Viet Nam) will finance: (i) taxes and duties on civil works and equipment (through exemption); (ii) a portion of incremental

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

administration/recurrent costs, including PCU and PIU utilities and maintenance costs (in-cash); taxes, fees and duties on recurrent PCU expenses and PIU communication costs (in-cash); and (iii) land acquisition and resettlement (in-cash). The government will make the loan proceeds available to the executing agency and implementing agencies on a grant basis.

Table 8: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank (loan) ^a	50.00	90.8
Government	5.08	9.2
Total	55.08	100.0

^a Asian Development Fund

Sources: Asian Development Bank and the Executing Agency.

A. Detailed Cost Estimates by Expenditure Category

Table 9: Detailed Cost Estimates by Expenditure Category

	Foreign Exchange	Local Currency	Total Cost	% of Total Base Cost
A Investment Cost^a				
1 Civil Works ^b	33.07	1.63	34.71	71.3%
2 Equipment and Specialized Vehicles ^b	0.74	0.37	1.11	2.3%
3 Resettlement	-	1.08	1.08	2.2%
4 Consulting Services	1.56	0.93	2.49	5.1%
5 Capacity Building and Training	1.27	1.57	2.84	5.8%
6 Duties and Taxes on Civil Works ^c	-	3.58	3.58	7.4%
Subtotal (A)	36.63	9.17	45.80	94.1%
B Recurrent Cost^d				
1 PCU and PIU Staff cost	-	1.35	1.35	2.8%
2 PCU and PIU Operations	-	1.50	1.50	3.1%
Subtotal (B)	-	2.85	2.85	5.9%
Total Base Cost (A+B)	36.63	12.02	48.65	100.0%
C Contingencies				
1 Physical ^e	1.68	0.38	2.06	4.2%
2 Price ^f	0.33	1.95	2.28	4.7%
Subtotal (C)	2.01	2.33	4.33	8.9%
D Financing Charges During Implementation				
1 Interest During Implementation ^g	2.09	-	2.09	4.3%
Subtotal (D)	2.09	-	2.09	4.3%
Total Project Cost (A+B+C+D)	40.74	14.34	55.08	

^a In mid-2013 prices. Exchange rate is USD1: VND 21,000. Inclusive of taxes and duties, which are itemized in line 6 for civil works and equipment.

^b Exclusive of taxes and duties

^c Taxes and duties on civil works and equipment, financed by the Government of Viet Nam.

^d Inclusive of taxes and duties.

^e Physical contingencies computed at 5% on base costs for civil works, equipment, consulting services and training and capacity building.

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

^g Interest during implementation on the ADB loan computed at 2% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

B. Allocation and Withdrawal of Loan Proceeds**Table 10: Allocation and Withdrawal of Loan Proceeds**

No.	Item	Total Amount Allocated for ADB Financing (SDR)	Percentage and Basis for Withdrawal from the Loan Account
1	Civil Works	22,462,000	100.00% of total expenditure claimed*
2	Equipment & Specialized Vehicles	717,000	100.00% of total expenditure claimed*
3	Consulting Services	1,613,000	100.00% of total expenditure claimed
4	Capacity Building and Training	1,836,000	100.00% of total expenditure claimed
5	Recurrent Costs	1,571,000	100.00% of total expenditure claimed
6	Interest During Implementation	1,355,000	100.00% of amounts due
7	Unallocated	2,806,000	
	Total	32,360,000	

* Exclusive of taxes and duties imposed in the territory of the borrower.

ADB = Asian Development Bank

Source: Asian Development Bank estimates.

C. Detailed Cost Estimates by Financier

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

Item	ADB (Loan)				Government of Viet Nam				Total Cost
	Amount	Amount (Tax and Duties)	Amount (Total)	% of Cost Category	Amount	Amount (Tax and Duties)	Amount (Total)	% of Cost Category	
A Investment Cost^a									
1 Civil Works	34.71	-	34.71	90.9%	-	3.47	3.47	9.1%	38.18
2 Equipment and Specialized Vehicles	1.11	-	1.11	90.9%	-	0.11	0.11	9.1%	1.22
3 Resettlement	-	-	-	0.0%	1.08	-	1.08	100.0%	1.08
4 Consulting Services ^b	2.19	0.30	2.49	100.0%	-	-	-	0.0%	2.49
5 Capacity Building and Training	2.58	0.26	2.84	100.0%	-	-	-	0.0%	2.84
Subtotal (A)	40.58	0.56	41.14	89.8%	1.08	3.58	4.66	10.2%	45.80
B Recurrent Cost^a									
1 PCU and PIU Staff Cost	1.22	0.12	1.35	100.0%	-	-	-	0.0%	1.35
2 PCU and PIU Operations	0.98	0.10	1.08	71.9%	0.41	0.02	0.42	28.1%	1.50
Subtotal (B)	2.21	0.22	2.43	85.2%	0.41	0.02	0.42	14.8%	2.85
Total Base Cost (A+B)	42.79	0.78	43.57	89.6%	1.48	3.60	5.08	10.4%	48.65
C Contingencies^c	4.33	-	4.33	100.0%	-	-	-	0.0%	4.33
D Financing Charges During Implementation^d	2.09	-	2.09	100.0%	-	-	-	0.0%	2.09
Total Project Cost (A+B+C+D)	49.22	0.78	50.00		1.48	3.60	5.08		55.08
% Total Project Cost			90.8%				9.2%		100.0%

^a In mid-2013 prices. Exchange rate is USD1: VND 21,000.

^b Inclusive of costs for external audits of \$84,000 to be financed from the ADB loan.

^c Physical contingencies computed at 5% on base costs for civil works, equipment, consulting services and training and capacity building. Price contingencies computed on the basis of foreign exchange costs and local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Interest during implementation on the ADB loan computed at 2% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Outputs/Components

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

Item	Total Cost	Output 1		Output 2		Output 3		Output 4	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A Investment Cost^a									
1 Civil Works ^b	34.71	17.01	49.0%	17.69	51.0%	-	0.0%	-	0.0%
2 Equipment and Specialized Vehicles ^b	1.11	0.31	28.3%	0.30	26.7%	0.13	11.4%	0.37	33.6%
3 Resettlement	1.08	0.37	34.7%	0.70	0.0%	-	0.0%	-	0.0%
4 Consulting Services	2.49	-	0.0%	-	0.0%	-	0.0%	2.49	100.0%
5 Capacity Building and Training	2.84	-	0.0%	-	0.0%	1.76	62.1%	1.08	37.9%
6 Duties and Taxes ^c	3.58	1.73	48.4%	1.80	50.2%	0.01	0.4%	0.04	1.0%
Subtotal (A)	45.80	19.43	42.4%	20.49	44.7%	1.90	4.1%	3.98	8.7%
B Recurrent Cost^d									
1 PCU and PIU Staff cost	1.35	-	0.0%	-	0.0%	-	0.0%	1.35	100.0%
2 PCU and PIU Operations	1.50	-	0.0%	-	0.0%	-	0.0%	1.50	100.0%
Subtotal (B)	2.85	-	0.0%	-	0.0%	-	0.0%	2.85	100.0%
Total Base Cost (A+B)	48.65	19.43	39.9%	20.49	42.1%	1.90	3.9%	6.83	14.0%
C Contingencies									
1 Physical ^e	2.06	0.87	42.1%	0.90	43.7%	0.09	4.6%	0.20	9.6%
2 Price ^f	2.28	0.53	23.3%	0.49	21.7%	0.25	10.9%	1.00	44.1%
Subtotal (C)	4.33	1.40	32.3%	1.39	32.2%	0.34	7.9%	1.20	27.7%
Financing Charges During Implementation									
D Implementation									
1 Interest During Implementation ^g	2.09	0.78	37.3%	0.83	39.8%	0.10	4.8%	0.38	18.1%
Subtotal (D)	2.09	0.78	37.3%	0.83	39.8%	0.10	4.8%	0.38	18.1%
Total Project Cost (A+B+C+D)	55.08	21.61	39.2%	22.72	41.2%	2.34	4.3%	8.41	15.3%

^a In mid-2013 prices. Exchange rate is USD1: VND 21,000. Inclusive of taxes and duties, which are itemized under line 6 for civil works and equipment.

^b Exclusive of taxes and duties

^c Taxes and duties on civil works and equipment, financed by the Government of Viet Nam.

^d Inclusive of taxes and duties.

^e Physical contingencies computed at 5% on base costs for civil works, equipment, consulting services and training and capacity building.

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

^g Interest during implementation on the ADB loan computed at 2% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

E. Detailed Cost Estimates by Year

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

Item	Total Cost	Year 1	Year 2	Year 3	Year 4	Year 5
A Investment Cost^a						
1 Civil Works ^b	34.71	-	-	10.41	20.82	3.47
2 Equipment and Specialized Vehicles ^b	1.11	0.37	0.06	0.03	0.64	0.01
3 Resettlement	1.08	-	1.08	-	-	-
4 Consulting Services	2.49	0.22	0.72	0.78	0.54	0.23
5 Capacity Building and Training	2.84	0.03	0.95	0.71	0.70	0.44
6 Duties and Taxes ^c	3.58	0.04	0.01	1.04	2.15	0.35
Subtotal (A)	45.80	0.66	2.81	12.98	24.85	4.50
B Recurrent Cost^d						
1 PCU and PIU Staff cost	1.35	0.27	0.27	0.27	0.27	0.27
2 PCU and PIU Operations	1.50	0.30	0.30	0.30	0.30	0.30
Subtotal (B)	2.85	0.57	0.57	0.57	0.57	0.57
Total Base Cost (A+B)	48.65	1.23	3.38	13.55	25.42	5.07
C Contingencies^e	4.33	0.08	0.44	1.06	2.07	0.68
D Financing Charges During Implementation^f	2.09	0.02	0.08	0.33	0.78	0.88
Total Project Cost (A+B+C+D)	55.08	1.34	3.90	14.93	28.27	6.63
% Total Project Cost	100.0%	2.4%	7.1%	27.1%	51.3%	12.0%

^a In mid-2013 prices. Exchange rate is USD1: VND 21,000. Inclusive of taxes and duties, which are itemized under line 6 for civil works and equipment.

^b Exclusive of taxes and duties

^c Taxes and duties on civil works and equipment, financed by the Government of Viet Nam.

^d Inclusive of taxes and duties.

^e Physical contingencies computed at 5% on base costs for civil works, equipment, consulting services and training and capacity building. Price contingencies computed on the basis of foreign exchange costs and local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

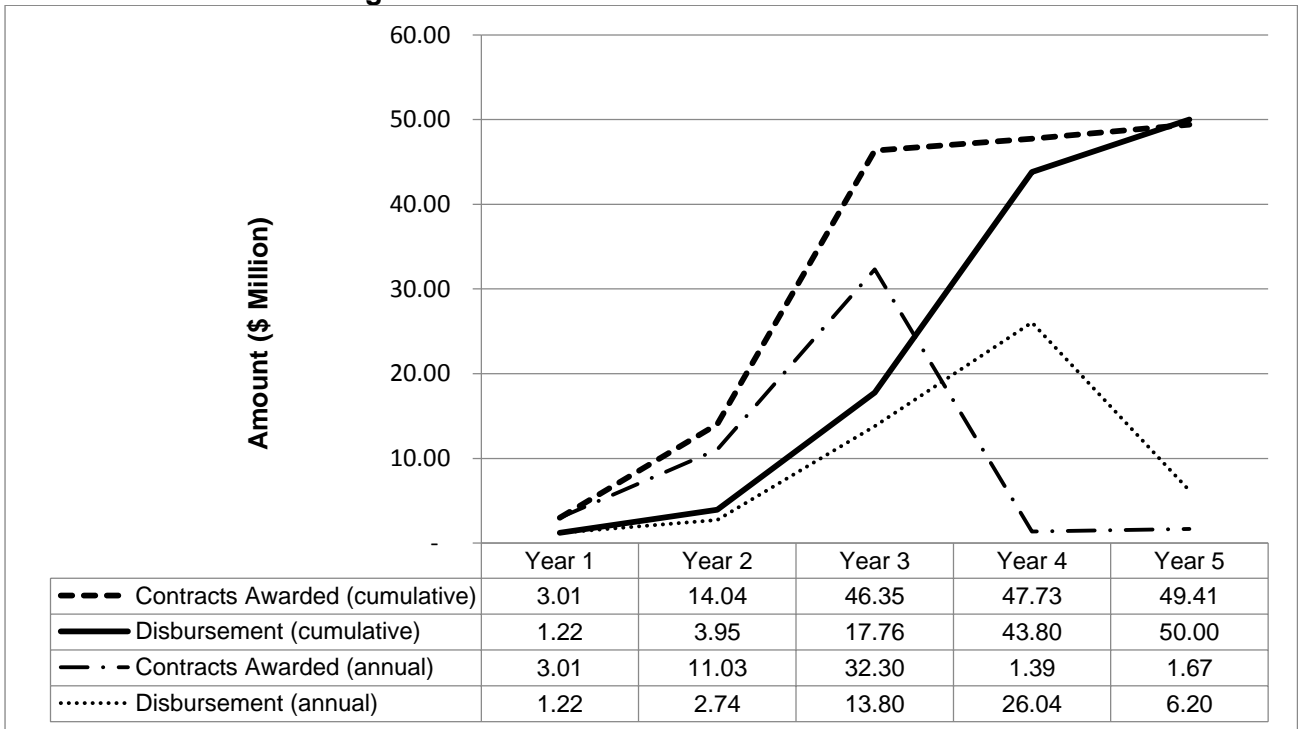
^f Interest during implementation on the ADB loan computed at 2% per annum.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

F. Contract and Disbursement S-curve

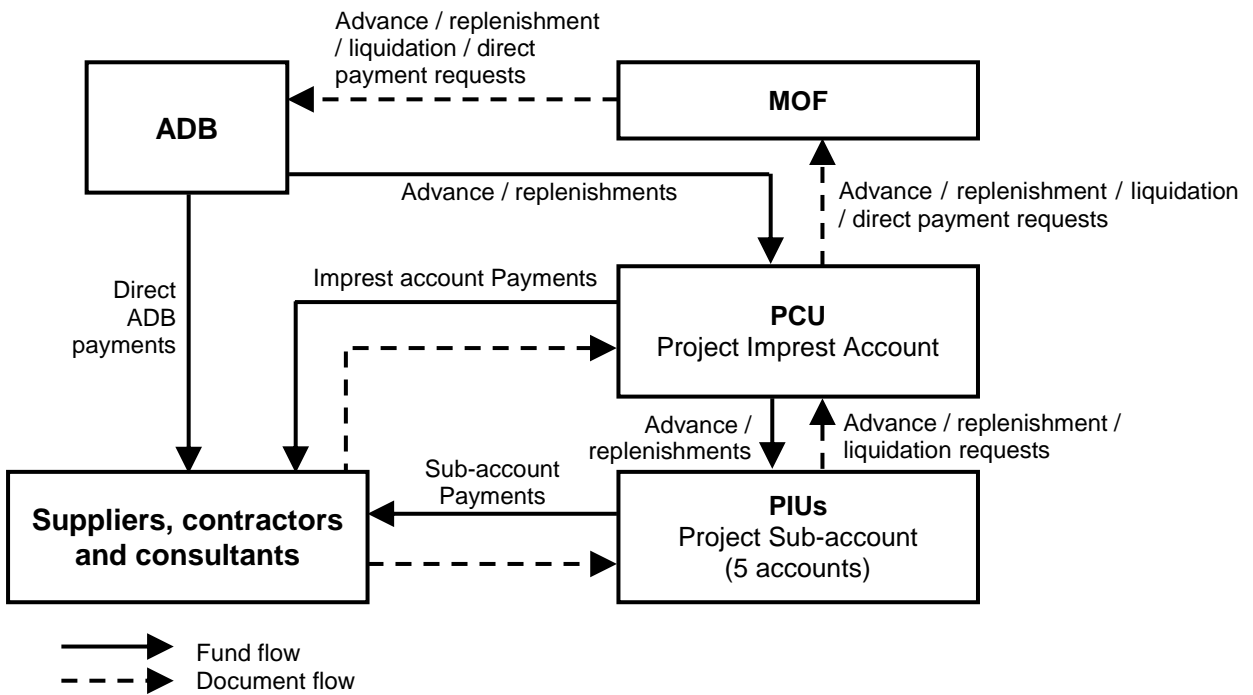
Figure 2: Contract and Disbursement S-curve



Source: Asian Development Bank and the Executing Agency.

G. Fund Flow Diagram

Figure 3: Project Funds Flow Arrangements



ADB = Asian Development Bank, MOF = Ministry of Finance, PCU = project coordination unit, PIU = project implementation unit.

Source: Asian Development Bank and the Executing Agency.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

65. A Financial Management Assessment (FMA) was conducted in accordance with ADB guidelines. The FMA covers the Ministry of Culture, Sports and Tourism (MCST) as the Executing Agency, the Project Coordination Unit (PCU), and the Departments of Culture, Sports and Tourism (DCST) in each of the participating provinces as the Project Implementation Units (PIU). The objective of the assessment was to determine whether the entities implementing the project have acceptable financial management arrangements that can comply with ADB Project accounting and reporting requirements. The main findings of the assessment are summarized below. Risks and mitigation measures are in Table 14.

66. Country issues. In 2007, the Government of Viet Nam through the MOF embarked on a comprehensive program of PFM reform. A particular feature of this initiative is a major revision of the State Budget Law to provide for a redefinition of the Budget and its presentation. In addition to work on revising the State Budget Law and its various implementing regulations, work is also in progress on integrating medium-term fiscal planning into the budgetary process, improving tax administration, establishing more effective supervision over State-Owned Enterprises (SOE), making public procurement more efficient and transparent, and reconsidering the standards used in the Government's financial statements. These initiatives are consistent with the country's Financial Development Strategy to 2020 as set out by the Prime Minister in 2012. As presented in a recent report assessing PFM performance in Viet Nam,¹⁹ the MOF, World Bank and other development partners consider that provided the momentum generated by these ongoing initiatives can be maintained, there are good prospects for significant PFM reform planning and implementation in the coming years. Similarly, the Government has increased its emphasis on fighting corruption, as evidenced by over 270 corruption trials in 2013.

67. Project specific issues. MCST has successfully implemented two consecutive ADB financed projects over the past 10 years. These include the (i) GMS Mekong Tourism Development Project (MTDP- Loan 1971-VIE) covering the period 2003 to 2008 and (ii) the ongoing GMS Sustainable Tourism Development Project (STDP-Loan 2457 VIE) covering the period 2009 to 2014. The existing PCU is familiar with ADB procurement, disbursement, financial management, accounting and reporting requirements. The MCST has confirmed that it will utilize and expand the existing L2457-VIE PCU and financial management systems for the project, with modification where appropriate. Incumbent staff is qualified to undertake international and national competitive bidding for works and goods, recruit consultants in accordance with ADB guidelines, manage the project imprest account, and maintain financial records in accordance with internationally accepted accounting practices. Project accounts and related records will be kept and maintained by the PCU separately from other on-going projects.

68. DCSTs in the participating provinces do not have previous experience implementing ADB financed projects; however provincial administrations of Ha Tinh and Lao Cai have dedicated ODA management units able to provide assistance/oversight for financial management and procurement. To ensure sound financial management and accounting in the PIUs each will recruit suitably qualified full-time project accountants with experience managing ADB or other externally funded projects. PIU accountants will be supervised by the PCU's Financial Controller and mentored by other PCU staff with experienced in ADB's financial management and accounting requirements.

¹⁹ Viet Nam: Public Expenditure and Financial Accountability (PEFA) Assessment Framework: Public Financial Management Performance Assessment. July 2013.

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

Table 14: Financial Management Risk Assessment and Mitigation Measures

Risk Type	Risk description	Risk Without Mitigation	Mitigation Measures	Risk With Mitigation
Country-specific risks				
1. Public financial management risks.	Weak public financial management (PFM) systems at the provincial (PIU) level especially in accounting, budget preparation and execution, cash planning and performance measurement.	High	Asian Development Bank (ADB), World Bank and other development partners support on-going efforts to strengthen PFM arrangements, through technical assistance and program/project loans.	Moderate
	Shortage of skills in financial management, including financial analysis, management accounting, financial reporting and audit.	High	Since 2007, Government has embarked on a comprehensive program of PFM reform including capacity building which is still on-going. This program is supported by ADB, World Bank and other development partners.	Moderate
Project-specific risks				
2. Government financing risks	Government may be unable to meet counterpart funding obligations due to budget constraints.	Moderate	Project financing plan has been formulated in consultation with the EA and MOF. Counterpart financing involves typical support package for (i) taxes and duties on civil works and equipment (through exemption); (ii) a portion of incremental administration/recurrent costs, including PCU and PIU utilities and maintenance costs (in-cash); taxes, fees and duties on recurrent PCU expenses and PIU communication costs (in-cash); and (iii) land acquisition and resettlement (in-cash).	Low
3. Procurement risks	Procurement capacity within MCST, especially at the provincial level (i.e. PIU/DCST) is limited.	Moderate	MCST committed to appoint PCU staff with experienced in procurement practices acceptable to ADB. Training for financial management and procurement especially for provincial PIU staff will be provided under the project by the financial management and procurement consultants. The government has established dedicated project management units in provinces with significant official development assistance. These will be utilized to support project-related procurement in Lao Cai and Ha Tinh.	Low

	Potential corruption from weak procurement oversight.	Moderate	Standard ADB bidding documents and procedures will be used. Grievance redress procedures, including misuse of funds, will be published on the project website, and mechanisms put in place to address any grievances received.	Low
4. Funds flow.	Funds may not reach intended beneficiaries in a timely manner.	Moderate	ADB disbursement arrangements, including statement of expenditure procedure and direct payment, which have been tested in prior projects and proven successful, will be used.	Low
5. Staffing	MCST as the executing agency and PCU and provincial DCSTs as implementing agencies (PIU) have limited staff capability in financial management, accounting, budgeting, internal controls and financial reporting.	Moderate	The MCST has an established, active PCU with experience managing ADB financed projects including Loan 1971-VIE and ongoing Loan 2457-VIE. The existing PCU staff will be retained and expanded to manage implementation of the project. Experienced PCU staff supported by consultants will provide on-the-job training for less experienced PIU staff. PCU and PIU staff will be invited to periodic disbursement seminars conducted by ADB's Controller's Department.	Low
6. Project external audit.	Delay in the submission of externally audited project accounts	Moderate	The Loan Agreement stipulates that the Government and MCST will ensure that detailed consolidated project accounts are audited annually in accordance with International Standards on Auditing and Government audit regulations, by an auditor acceptable to ADB. The Government and MCST have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts.	Low
	Annual audit may not meet ADB requirements.	Moderate/ Low	An external auditing firm will be recruited using the Consultants' Qualifications Selection (CQS) method with a Terms of Reference based on the agreed Standardized Terms of Reference for External Financial Audit Services.	Low
7. Coordination	Risk of continued ambiguities regarding the responsibilities between MCST and DCST regarding civil works components.	Moderate/ Low	The project will support continued dialogue at the national and provincial level through a national and provincial steering committees, and semi-annual planning/review meeting of the PCU/PIUs as required. The PAM clearly defines procurement-related decision making thresholds.	Low
8. Information systems	Excel software is not being utilized to its full capacity.	Moderate	Training and capacity development will be supported to strengthen the technical capacity of PCU/PIU staff.	Low
Overall Risk		Moderate		Low

ADB = Asian Development Bank; DCST = Department of Culture, Sports and Tourism; EA = executing agency; MCST = Ministry of Culture, Sports and Tourism; MOF = Ministry of Finance; PCU = project coordination unit; PIU = project implementation unit. .

Source: Asian Development bank and Ministry Culture, Sport and Tourism.

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

Table 15: Project Financial Management Action Plan

Planned Action	Output	Responsible Party	Due Date
PCU and PIU financial management teams established.	<ul style="list-style-type: none"> As outlined in the PAM PCU Financial Controller and PCU and PIU Directors and Managers appointed and PCU and PIU accounting and finance staff recruited. 	EA and DCSTs	Prior to ADB Board Approval of project
National and Provincial Project Steering Committees established and operational.	<ul style="list-style-type: none"> As outlined in the PAM 	EA and Provinces	Prior to ADB Board Approval of project
Project funds flow arrangements adopted & operational.	<ul style="list-style-type: none"> As outlined in the PAM Concerned MOF, EA, PCU, and PIU staff briefed, imprest account opened, and project sub-accounts established. 	MOF, EA, PCU, and PIUs assisted by international and national financial management & procurement specialists	Prior to first disbursement.
PCU and PIU financial management capacity built and systems operational.	<ul style="list-style-type: none"> Financial management and procurement support consultants mobilized; project accounting and financial reporting systems established; PCU and PIUs attend training on project accounting. Project-specific financial management manual updated. TOR for audit firm finalized and cleared by ADB. Project disbursement arrangements and procedures established and staff trained in their operation. 	EA, assisted by the consultants	Prior to EAs first disbursement. Within six months of project effectiveness
PCU and PIU staff attend disbursement seminar.	<ul style="list-style-type: none"> At least 1 staff member from the PCU and each PIU attends ADB's in-country disbursement seminar. 		Within one year of project effectiveness

ADB = Asian Development Bank; DCST = Department of Culture, Sports and Tourism; EA = executing agency; MOF = Ministry of Finance; PCU = project coordination unit; PIU = project implementation unit.
Source: Asian Development bank and Ministry Culture, Sport and Tourism.

B. Disbursement

71. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),²⁰ and detailed arrangements agreed upon between the Government and ADB.

72. The EA will establish an imprest account in US Dollars for the ADB loan at a commercial bank designated by the State Bank of Viet Nam (SBV). The PCU will be responsible for managing, replenishing, and liquidating this account. The ceiling of the imprest account is 10% of the loan amount

73. The PCU will also be responsible for (i) preparing disbursement projections; (ii) requesting budgetary allocations for counterpart funds; (iii) collecting supporting documents; and (iv) checking and signing off on all disbursement documents prior to submission to the MOF. The PIUs will set up project sub-accounts for the ADB loan with a commercial bank

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

designated by SBV. Liquidation of the sub-accounts will be subject to submission of full documentation to the PCU. The imprest account and sub-accounts will be established and maintained for the loan proceeds only and managed, replenished and liquidated in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),²¹ and other detailed arrangements agreed upon between the Borrower and ADB. The imprest and sub-accounts are to be used exclusively for share of eligible expenditures. The EA who established the imprest account in its name is accountable and responsible for proper use of advances to the imprest account, including advances to the sub-accounts.

74. The EA may request for initial and additional advances to the imprest account based on an Estimate of Expenditure Sheet²² setting out the estimated expenditures to be financed through the account for the forthcoming six (6) months. Supporting documents should be submitted to ADB or retained by the EA in accordance with ADB's *Loan Disbursement Handbook* when liquidating or replenishing the imprest account.

75. ADB's statement of expenditure (SOE) procedures may be used for reimbursing eligible expenditures and liquidating of advances to the imprest account. The maximum payment for any individual item using these procedures is \$100,000 equivalent per individual payment. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.²³ Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

76. Before the submission of the first withdrawal application, the MOF should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is \$100,000 equivalent unless otherwise approved by ADB. Individual payments below this amount should generally be paid from the imprest/sub-account, or by the EA/IA and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept WAs below the minimum amount.

77. Three items are to be financed from Government counterpart funds: (i) taxes and duties on civil works and equipment; (ii) PIU office space and maintenance costs; and (iii) land acquisition and resettlement.

78. Unallocated funds and any loan savings that may occur may be reallocated to PIUs that perform well, to finance additional activities consistent with the project's scope and purpose. In making its recommendation to reallocate funds, the PCU will assess the (i) relevance of the proposed activities; (ii) consistency with the output indicators stated in the DMF; and (iii) ability of concerned PIU to undertake procurement and provide timely and comprehensive technical and financial progress reports. Any recommendation for reallocation of loan proceeds must be endorsed by MCST, MOF and ADB.

C. Accounting

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

²¹ Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

²² Following the format provided in Appendix 10B of the *Loan Disbursement Handbook*.

²³ Following the format provided in Appendix 9B of the *Loan Disbursement Handbook*.

80. The project will provide training and operating support for the use of the imprest fund and sub-accounts to the PCU/PIU financial management teams.

D. Auditing

81. The Government and MCST will cause the detailed consolidated project accounts to be audited in accordance with the Government's audit regulations by an auditor acceptable to ADB.

82. The audited accounts will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The annual audit report will include a separate audit opinion on the use of the imprest fund and the SOE procedures. The Government and MCST have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

83. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011)²⁴. After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter will not be disclosed.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

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

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

B. Procurement of Goods, Works and Consulting Services

86. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines* (2013, as amended from time to time).²⁷ Civil works valued at \$1 million or above and goods valued at \$500,000 or above will be procured through international competitive bidding (ICB) procedures. National competitive bidding (NCB) will

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

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

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

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

be used to procure packages valued less than those ICB thresholds, and shopping procedures will be used for packages equivalent to \$100,000 and below. NCB will follow the national procurement legislation and regulations (specifically the Prime Minister's Decree No. 03/PM of the Lao People's Democratic Republic, effective 09 January 2004, and Implementing Rules and Regulations effective 12 March 2004), subject to modifications and clarifications indicated in the NCB Annex of the Procurement Plan (Annex B) as required for consistency with the ADB Procurement Guidelines. Before the start of any NCB procurement by an IA subject to the public procurement laws of a state government, those laws will be reviewed to ensure consistency with ADB's Procurement Guidelines (2013, as amended from time to time). Before the start of any NCB procurement ADB and the Government will review the public procurement laws of the central and state governments to ensure consistency with ADB's *Procurement Guidelines* (2013, as amended from time to time).

87. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).²⁸ The two firms providing Project Management, Civil Engineering and Capacity Building Support and Construction Supervision Support will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 80:20. The External Auditor will be recruited following Consultants' Qualifications Selection (CQS) method.²⁹ Individual consultants will be recruited on the basis of their qualifications for the assignment. Recruitment of individual consultants for financial management and procurement will help enable rapid project start-up, and reduce the cost of consulting services without compromising quality. The executing agency has successfully recruited many qualified individual consultants in the past, with good results. The terms of reference for all consulting services are detailed in Annex E.

88. The approval authority for procurement of goods, works and consulting services is presented in Table 16, identifying authority to approve contracts that are in line with the procurement plan's cost estimates.

Table 16: Procurement Decision Making Authority

Procurement type	Threshold	Approval authority within cost estimate	Approval authority above cost estimate
Works (ICB)	From \$5,000,000 up to \$10,000,000	Director, DPF, MCST	Deputy - Minister, MCST
Works (NCB)	From \$500,000 up to \$5,000,000	National Project Director (PCU)	Director, DPF, MCST
Goods (NCB)	From \$100,000 up to \$500,000	National Project Director (PCU)/PIU Director ^a	Director, DPF, MCST/Deputy Chair, PPC ^b
Goods (Shopping)	Up to \$100,000	National Project Director (PCU)/PIU Director ^a	Director, DPF, MCST/Deputy Chair, PPC ^b
Consulting Services	\$100,000 or above	National Project Director (PCU)	Director, DPF, MCST
Consulting Services	Up to \$100,000	National Project Director (PCU)	Director, DPF, MCST

^a National Project Director for PCU-led procurement and PIU Director for PIU-led procurement

^b Director, DPF, MCST for PCU-led procurement and Deputy Chair, PPC for PIU-led procurement

DPF = Department of Planning and Finance; ICB = international competitive bidding; MCST = Ministry of Culture, Sports and Tourism; NCB = national competitive bidding; PCU = project coordination unit; PIU = project implementation unit.

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

²⁹ The executing agency will recruit the firm to carry out the audit in consultation with the State Audit Organization to ensure compliance with financial reporting and auditing requirements, and regular follow-up with concerned agencies as needed.

C. Procurement Plan

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

D. Consultant's Terms of Reference

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

91. The total consulting service requirements are an estimated 425 person-months (65 person-month international and 360 person-months national) and include (i) Project Management, Civil Engineering and Capacity Building Support; (ii) Construction Supervision Support, (iii) Financial Management and Procurement Support; (iv) Independent Resettlement Monitor; and (v) an External Auditor.

92. Project Management, Civil Engineering and Capacity Building Support. This consulting services package includes an estimated 271 person-months (62 person-month international and 209 person-months national) to (i) assist the PCU and PIUs with detailed design and tendering of civil works under Outputs 1 and 2; (ii) assist the PCU and PIUs with the implementation of institutional capacity building activities related to destination development and management included in Output 3, and the subregional activities included in Output 4; (iii) assist the PCU/PIUs comply with social and environmental safeguards; and (iv) provide project management and administrative support to the PCU and PIUs. The consultants will be recruited through a firm using the quality- and cost-based selection (QCBS) method with standard quality-cost ration of 80:20. The contract for this package will include provisional sums for (i) technical surveys needed for detailed design and (ii) institutional capacity building activities to promote inclusive tourism growth under Output 3.

93. Construction Supervision Support. This consulting services package includes an estimated 135 national person-months to assist the PCU and PIUs with supervision of civil works. The consultants will be recruited through a firm using the quality- and cost-based selection (QCBS) method with standard quality-cost ration of 80:20.

94. Financial Management and Procurement Support & Independent Resettlement Monitoring. Individual consultants will be recruited on the basis of their qualification for the assignment. This comprises an estimated 19 person-months (3 person-month international and 16 person-months national) to (i) assist the PCU and PIUs establish the project's financial management systems, (ii) provide financial management/procurement training, (iii) support start-up activities related to consultant recruitment and first-year procurement and (iv) perform independent monitoring of compliance with the resettlement plans.

95. External Auditor. An external auditing firm will be recruited using the Consultants' Qualifications Selection (CQS) method. Within the first six months of project effectiveness, the EA, assisted by the Financial Management and Procurement consultants, will prepare an audit terms of reference based on the *Template for Standardized Terms of Reference (TOR) for External Financial Audit Services (Auditor) of Annual Project Financial Statements (APFS)* (included in Annex F). The draft-final TOR will be provided to ADB for review and no-objection prior to recruitment of the auditing firm.

VII. SAFEGUARDS

96. Pursuant to ADB's *Safeguard Policy Statement (SPS) 2009*,³⁰ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

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

98. Relevant safeguard documents include: (i) the initial environmental examination (IEE), and eight environmental management plans (EMP) for the project's subprojects, as follows: (a) Muong Phang Access Road Improvement and Dien Bien Phu Cultural Exchange and Tourist Information Center; (b) Huong Tich Environmental Improvement; (c) Nguyen Du Cultural Exchange and Tourist Information Center Improvement; (d) Da Dung Cave Access Improvement; (e) Phu Tu Environmental Improvement; (f) Lao Cai Cultural Exchange and Tourist Information Center; (g) Ta Phin Access Road Improvement; and (h) Ba Den Mountain Environmental Improvement; (ii) five provincial resettlement plans (RP) for Dien Bien, Ha Tinh, Kien Giang, Lao Cai and Tay Ninh; and (iii) an Ethnic Minority Development Plan (EMDP). Refer to the respective safeguard action plans in the IEE/EMPs, RP and EMDP for detailed implementation guidance.

A. Environmental Safeguards

99. The environmental safeguard category assigned to the subprojects is B. An IEE has been prepared to identify the potential environmental impacts of infrastructure subprojects and required mitigation measures. The required mitigation measures along with the required environmental monitoring are in the mitigation and monitoring plans of the eight EMPs. The IEE and EMPs address the three stages of subproject implementation defined by pre-construction, construction and operation phases. The potential environmental impacts are primarily construction-phase related, which can be mitigated and managed, and are not expected to be irreversible, diverse or unprecedented. Expected impacts and risks are site-specific and appropriate mitigating measures have been incorporated into the EMPs. Mitigation measures for potential long-term environmental impacts related to the operation of the larger waste water treatment and solid waste management systems in cultural and ecological areas such as the Huong Tich National Tourism Site, Phu Tu National Tourist Site, Ba Den Mountain were designed in accordance with international good practice and applicable national laws and regulations.

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

101. The MCST as the EA, with support from the PCU Safeguards Officer, is responsible for ensuring that the project is implemented in accordance with the Government of Viet

³⁰ Available at: <http://www.adb.org/documents/safeguard-policy-statement>

Nam's laws and regulations and the ADB SPS. The provincial PIUs with support from the DCSTs will ensure compliance of project activities with ADB SPS and Government regulations. The assigned safeguards specialist in each PIU will coordinate timely disclosure, implementation, and monitoring of all safeguard documents. The international and national environment specialists on the Project Management, Civil Engineering and Capacity Building Support consultant team will provide technical advice, guidance, and support and on-the-job training for the PIUs, particularly its safeguards officers, in environmental management during project implementation. The PIU safeguards specialists will work with the project management consultants in updating the subproject IEEs and EMPs based on the detailed design before the award of the works contracts. PIUs will also coordinate cross-sector training to ensure effective implementation of EMPs. The PCU will be responsible for overall safeguards coordination and policy guidance. It will ensure adequate resources are allocated and are timely disbursed to process the necessary environmental assessment activities.

102. Resources to assist the government update the IEE/EMPs and augment the PCU and PIU's capacity to undertake environmental monitoring are included in the project costs. The estimated cost of implementing the eight EMPs is \$623,000, covering the mitigation and monitoring plans, and capacity development for the respective PIUs.

B. Social and Resettlement Safeguards

1. Involuntary Resettlement

103. The safeguard category for involuntary resettlement is B. Five resettlement plans (RP), one per province involving resettlement impacts, have been prepared in accordance with ADB SPS and the Government of Viet Nam laws and regulations to guide the known land acquisition and resettlement (LAR) impacts of the project. The RPs will be updated during project implementation. Each RP has a resettlement budget covering the direct compensation costs, implementation costs, and contingencies.

104. Project information was disclosed to all affected persons during project preparation. A project information booklet in Vietnamese language will be updated and distributed during implementation. The draft RP will be disclosed on ADB website before the staff review meeting, and the updated RP will be disclosed following detailed design. The PCU will work in close collaboration with resettlement committees at the provincial and district levels, as well as with village development committees and mass organization representatives. The consultant team includes an international and a national resettlement specialist who will support the PCU designated resettlement officer.

105. The estimated cost of resettlement (\$1.07 million) is based on the census and inventory of losses prepared in consultation with affected persons, and will be financed by the Government. Refer to resettlement plans for detailed arrangements and cost estimates.

2. Indigenous Peoples

106. The safeguard category for indigenous peoples is B in accordance with ADB SPS. The project will bring beneficial impacts to diverse ethnic groups living near the selected tourist sites and along access roads. The sites are in areas that have been open to tourism for a number of years, and where members of ethnic groups are engaged in and supportive of tourism development. The increase in numbers of tourists is not expected to have a negative impact on traditional lifestyles and maintenance of culture. The key issue is to ensure concerned ethnic people maintain control of their physical and cultural resources and gain access to tourism-related enterprises and participate in community tourism planning.

107. The ethnic minority development plan (EMDP) includes actions to ensure ethnic groups in project areas benefit from the activities and to mitigate negative impacts. The beneficial measures include: (i) strengthening community-based tourism activities in ethnic villages; (ii) support to ethnic group members, in particular women, for business planning and micro-enterprise development; (iii) support for agriculture and handicraft production (linked to tourism supply chains) in specific locations (e.g. Dien Bien, Kien Giang and Lao Cai); and (iv) integration of ethnic group inclusion across project management. Mitigating measures such as reinforcing cultural and heritage conservation in ethnic areas, raising awareness and reducing risks of increased vehicular traffic, and human trafficking and child exploitation associated with uncontrolled tourism growth are built into project activities. The EMDP features measures to ensure that ethnic groups participate in the design and implementation of awareness programs, and that non-Vietnamese language or visual materials are available.

108. Implementation of the EMDP will be the responsibility of the PCU Director and the Director of each PIU. The Director will assign a responsible staff member to follow-up and report on the EMDP activities. An international and national gender and social development specialist will support the PCU and PIUs to implement the EMDP. These specialists will work closely with other project consultants and PCU and PIU staff to integrate concerns and special measures for ethnic groups into their work plans. The responsibility for specific actions is identified in the EMDP.

109. The management and reporting structure for the EMDP will follow the lines of responsibility for the overall project management as described in section IX.

110. A budget of \$75,000 is allocated for EMDP implementation, financed from the ADB loan, to cover additional meetings and consultations, capacity/asset development activities targeting ethnic groups, and production of training and awareness materials that are accessible to ethnic groups. Representatives from the Women's Union and the Fatherland Front will play a critical role in facilitating participation of ethnic groups in project activities and will be invited to participate in steering committee meetings.

VIII. GENDER AND SOCIAL DIMENSIONS

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

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

113. The gender analysis conducted during project preparation helped to determine the specific gender actions for the project. The GAP (Table 17) includes measures to ensure that women gain from the project benefits and do not experience negative impacts. The measures included in the action plan address both women's practical and strategic interests. GAP actions include (i) promoting participation of women in project management positions,

steering committee representation, and in institutional forums established for public-private-civil society collaboration on tourism planning (Destination Management Organizations and Community Tourism Groups); (ii) ensuring consultation with women on the detailed design of infrastructure; (iii) requirements for contractors to hire at least 40% women for unskilled construction jobs, and (iv) providing training to women in handicraft production, tourism-related enterprise development, and hospitality services to ensure they can access employment and income generating opportunities. The potential burden of adding additional workloads for women are addressed by project support to provide time-saving technology/equipment for production activities. Awareness raising programs will support women to recognize and avoid risks associated with human trafficking and child exploitation.

114. The PCU will be responsible for ensuring social and gender actions are implemented and monitored. Responsibilities for implementing actions in the GAP are identified in the document's action plan. A budget of \$87,500 is allocated for GAP implementation, to be financed from the ADB loan. An international and a national gender and social development specialist will be hired to support the implementation of the GAP and EMDP. The stakeholder and communication strategy describes how various stakeholders will be engaged during project implementation.

Table 17: Gender Action Plan

Actions	Targets/Indicators	Responsible
Output 1: Last-mile tourism access infrastructure improved.		
Output 2: Environmental services in cross-border tourism centers improved.³¹		
1.1 For all infrastructure subprojects, PIUs and consultants meet with women and men on detailed designs and inform them about employment opportunities during and after construction.	<ul style="list-style-type: none"> Two public consultations held with the local population and stall operators for each subproject. 50% of the participants in consultation meetings are women. 	PCU, PIUs, VWU and consultants.
1.2 For all infrastructure subprojects, ensure that civil works bidding documents include numerical targets for women's employment and safe working conditions.	<ul style="list-style-type: none"> At least 40% of local unskilled workers hired are women, as specified in civil works contracts and monitored for compliance. Contractors provide HIV/AIDS prevention information to all workers. 	PCU, PIUs and consultants.
1.3 For all infrastructure subprojects at tourism sites the detailed design is responsive to both men and women's specific needs, including suitable safety measures.	<ul style="list-style-type: none"> 100% of stall operators (majority are women) return to original retail space after construction. 80% of new stalls are allocated to women. Specific design measures implemented such as wide road shoulders and lighting, construction of men and women's toilets, and lockable kiosks. 	PCU, PIUs, consultants and contractors.
Output 3: Institutional capacity to promote inclusive tourism growth strengthened.		
3.1 Ensure women (including ethnic minority women) are appointed in committees and forums for destination management and institutional strengthening; create enabling conditions for their participation.	<ul style="list-style-type: none"> DMO management committees include 40% women; at least 4 DMOs are led by a woman. Women account for 50% of stakeholders during public-private partnership consultations. 	NSC Chair, PCU Director and PIU Director.
3.2 Increase women's access to economic opportunities through development of tourism-related micro- and small-enterprises and livelihood activities.	<ul style="list-style-type: none"> 560 micro- small, and medium-sized enterprise operators (60% of whom are women) gain access to professional tourism-related business support services and microfinance (proportional to ethnicity in local area). 	PCU and PIUs.
3.3 Training program in hospitality services includes outreach to disadvantaged women through partnership with VWU's existing vocational training programs.	<ul style="list-style-type: none"> 60% of hospitality service trainees are women (proportionate to ethnicity in local area). Training materials and language training is tailored to ethnic women's needs in subproject sites. 	PCU, PIU and consultants.
3.4 Implement safety, health and social	<ul style="list-style-type: none"> 3,375 men and 3,375 women tourism stakeholders are 	

³¹ Actions apply to all infrastructure subprojects and are therefore the same for Output 1 and 2.

Actions	Targets/Indicators	Responsible
awareness-raising programs in partnership with VWU, women businesses / government leaders, law enforcement agencies, DMOs, and tourism businesses.	reached by awareness campaigns to prevent child exploitation, human trafficking, and the spread of HIV/AIDS. <ul style="list-style-type: none"> 1,750 people (50% men) participate in road safety, health and hygiene/sanitation training. 	
Output 4: Effective project implementation and knowledge management.		
4.1 Ensure women are represented in the project's Provincial Steering Committee and in PIUs and the PCU.	<ul style="list-style-type: none"> PSC has at least 1 woman member with expertise and tasked to provide oversight for GAP implementation. Women hold 30 % of Director, Deputy Director, and professional posts in the PCU and PIUs. GAP is reviewed, monitored for progress, and follow-up actions agreed annually at PSC meeting. GAP targets are reflected in annual work plans of the PCU and PIU. Gender Focal Person designated in PCU and PIU. 	PSC Chair, PCU and PIU Directors
4.2 Recruit gender consultants to support GAP implementation and training of contractors and consultant team to implement activities to ensure women gain increased access to economic opportunities.	<ul style="list-style-type: none"> 100% of PCU, PIU, and project implementation consultants are trained in gender equality and GAP implementation. Gender consultants' technical inputs provided for tourism-related training materials, awareness raising materials, detailed design consultations, value chain studies, civil works bidding documents, and other GAP implementation support. 	PCU Director.
4.3 Women members of PSC, PCU, and PIUs access opportunities to participate in subregional (GMS) training opportunities.	<ul style="list-style-type: none"> 30% of representatives attending subregional events on behalf of Viet Nam are women. 	PSC Director, PCU Director.
4.6 Develop a project performance management system that provides information on the differential impacts of the project on women and men.	<ul style="list-style-type: none"> Indicators for tracking progress and project benefits are sex-disaggregated. Monitoring of safeguards plans track differential impacts on women and men. Gender actions noted in progress reports. 	PCU Director, PIU Directors, and consultants.
4.7 Tourism statistics harmonization includes systematization of sex-disaggregated data collection.	<ul style="list-style-type: none"> All standardized tourism statistics related to people are sex-disaggregated. 	PCU Director and consultants.

DCST= Department of Culture, Sports and Tourism; GAP = gender action plan; GMS = Greater Mekong Subregion; VWU = Vietnam Women's Union; MCST= Ministry of Culture, Sports and Tourism; MSME = micro- small- and medium-sized enterprises; PSC = Provincial Steering Committee; PCU = project coordination unit; PIU = project implementation unit

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

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

B. Monitoring

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

117. Within 12 months of project effectiveness, the PCU, with assistance from the monitoring and evaluation consultants and other specialists, will develop the project

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

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

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

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

121. **Environmental safeguards monitoring.** The EMPs include an impact mitigation plan, environmental monitoring plan, and the institutional responsibilities for the implementation of the entire EMP. The purpose of the monitoring plan is to document the effectiveness of prescribed mitigation measures, and to document any unforeseen environmental impacts of the subprojects. The monitoring plans address the construction and operational phases of the subprojects. With support from the PCU, the EA and PPCs will oversee implementation of the monitoring plans by the provincial PIUs and construction contractors. The project's environmental specialists will support this process by providing technical direction and support to the PIUs for the implementation of the monitoring plans, including the organization of field sampling and required laboratory analyses.

122. The PIUs are responsible for preparing and submitting quarterly reports on monitoring activities to the PCU for consolidation and subsequent submission to ADB. The quarterly reports will consolidate monthly reports submitted by the construction contractors, and environment specialists/PIU safeguards coordinators. The consultants and PCU will provide an overview of any issues arising from monitoring activities during the reporting period.

123. **Resettlement safeguards monitoring.** The resettlement plan includes measures for internal and external monitoring of the RP. Primary responsibility for internal monitoring lies with EA's PCU. The PCU will be responsible for overseeing the formation, function, and activities of the PIUs, and through quarterly monitoring reports, summarize this progress. All resettlement monitoring data will be disaggregated by sex.

124. The international resettlement specialist will support the PCU to establish systems to implement the internal monitoring plan. The national resettlement specialist will accompany the PCU and each PIU in carrying out internal monitoring to assess whether affected households are able to restore their living conditions, livelihoods and incomes to pre-subproject levels and, if not, to recommend remedial actions to assist such affected households.

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

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

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

C. Evaluation

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

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

sustainability. Within 6 months of physical completion of the project MCST will submit a project completion report to ADB.³²

D. Reporting

130. The MCST will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. The detailed quarterly reporting format will be reviewed and agreed by ADB and MCST during the loan inception mission.

E. Stakeholder Communication Strategy

131. The Stakeholder Communication Strategy is based on the principles of transparency, timeliness, participation, meaningful participation and inclusiveness. The strategy ensures that vulnerable groups, such as the poor and women, who risk marginalization, are provided opportunities for communication and feedback during subproject design and implementation. Stakeholders include (i) direct and indirect beneficiaries of the project with a focus on small/micro business operators and tourism-related employees; (ii) mass organizations; (iii) tourist site management boards/committees responsible for site management and environmental improvements; (iv) private sector tourism operators and accommodation and food service providers who share an interest in the outcomes and/or impacts of the project; and (v) government agencies having a role in implementation or safeguards (e.g. DOT, DONRES) at different levels. The strategy serves to inform and support community development, enhance government agency capacity to manage project outcomes, and enhance project benefits and mitigate negative impacts.³³

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

133. Table 18 provides the Stakeholder Communication Strategy. The PCU will establish and maintain a dedicated website for this project. The website will include at a minimum the following information: (i) project document (RRP) and the PAM; (ii) procurement information (bidding procedures, bidders, and contract awards); (iii) annual work plans; (iv) quarterly and annual progress reports, the midterm evaluation, and project completion report; (v) environmental and social safeguards documents; (vi) grievance redress mechanisms; and (vii) technical reports and knowledge products produced by the project.

³² Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

³³ Meaningful participation is defined by ADB's Safeguard Policy Statement 2009 as a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

Table 18: Stakeholder Communication Strategy

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility
Ensure a regular flow of project information and promote ownership over subproject activities and tourism development.	Beneficiary communities, Vendors at subproject tourist sites, Village Chiefs, Tourist site management committees and related associations. Public living in tourism destination centers.	Direct beneficiaries of project, participants in site operation and maintenance, participants in micro and small enterprise development training and tourism employment training.	Local collaboration and support is fundamental to project effectiveness; information is to be shared openly and transparently; inputs into design and recommendations for improvements are welcome. Clear information on implementation arrangements and schedule of civil works. Update on subproject progress and roles for operation and maintenance after completion. Planned mitigation measures (including compensation rates, entitlements, grievance redress mechanism, road safety and noise/pollution control measures before and after construction).	Detail design consultations – user friendly poster showing site plans and notification of how to register feedback (e.g. With village chief or head of CTG). Community Tourism Group Meetings – regular two-way flow of information between PIU & CTG about project activities, priorities and progress. Templates for providing project updates to CTG on a regular basis – so that they can systematically transmit information to community. Public information meetings, including regular updates by Village Chief at village meetings following CTG meetings. Resettlement committee meetings and/or meetings with affected households. Printed information about subproject in local language posted in accessible public areas, including information on how to provide comments or register grievances. Brochures/posted information boards on upcoming training programs for tourism employment, micro-enterprise development.	Ongoing prior to implementation of activities. Early in each phase of subproject preparation. Project detailed design. Ongoing during civil works.	PIU, District Government and VWU
Ensure a regular flow of project information.	Women, poor and vulnerable households, ethnic minority groups near	As above	As above plus disseminate contents of GAP and EMDP, and opportunities to	Separate meetings with ethnic groups in local language and ii) meetings with women organized through VWU.	As above	As above

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility
	project sites.		participate in training/income generation activities.	Printed information about the project posted in local and accessible language (or visual depictions) posted in accessible public areas. Designation and provision of materials/toolkit to Women Community Facilitators for promotion/coaching micro- and small-enterprise development and disseminating information about tourism opportunities from PIU/project consultants.		
Raise visibility of benefits of tourism development for inclusive growth and build ownership over on-going O&M.	Public living in tourism destination centers. Beneficiary communities.	Direct and indirect beneficiaries of project.	Project investments and tourism promotion is beneficial to local economy and culture/heritage.	Media press releases and sponsor coverage by local media –print, radio, and TV features. Signboards promoting visibility of M/DCST, ADB and local government collaboration for tourism promotion/site improvement. Inaugurations of completed works with 'open' house and heritage/cultural events at sites. Web site about project activities, progress and documents.	At project launch and mid-way through as tangible results are realized. Signboards at appropriate locations at the start of construction and through project implementation.	PCU and PIU
Raise visibility of benefits of tourism development & cross-border tourism cooperation for inclusive growth as key sector for economic development.	Central government, development partners, tourism operators, and public-at-large.	Indirect beneficiaries and partners in tourism development.	Project investments and tourism promotion is beneficial to national economy and culture/heritage.	Media press releases and sponsor coverage by national media –print, radio, and TV features – at key milestones events (project launch, site inaugurations, GMS regional meetings, etc.). Web site about project activities, progress and documents.	At project launch and annually as tangible results are realized.	MCST, PCU, and PIUs

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility
Ensure flow of project information and promote public-private partnerships for inclusive tourism growth.	Private sector tourist companies, hotel and food service businesses, and local Chambers of Commerce	Direct beneficiaries of project; partners in destination promotion activities.	Promote participation in destination management initiatives, employment creation and initiatives to promote responsible tourism.	Partnership Forums / surveys on destination management strategies and marketing/promotion programs. Awareness campaigns – national and GMS regional – to promote standards for responsible tourism. Web site about project activities, progress and documents.		
Ensure a regular flow of project information and promote women's ownership over subproject activities and tourism development.	Vietnam Women's Union	Mass organization responsible for promoting gender equality and capacity building at all administrative levels. Plays a major role in community mobilization and health education, water and sanitation, micro-credit access and anti-trafficking and prevention of child exploitation/labor. Promote women's involvement and participation in micro-small enterprise development and tourism employment training.	Key benefits, risks and mitigation measures of local subproject activities and tourism promotion. Benefits targeted to women Disseminate information on sanitation, hygiene and health to communities in collaboration	National Steering Committee and Provincial Steering Committee meetings. PCU to coordinate and interact with VWU for specific roles in GAP and community mobilization/awareness programs. PIU to coordinate with Provincial & District VWU.	From outset of project.	PCU, PIU, National and Provincial VWU
Ensure a regular flow of project information and promote youth involvement in subproject	Youth Union	Mass organization responsible to promote youth involvement and participation in local development.	Key benefits, risks and mitigation measures of local subproject activities and tourism promotion. Disseminate information	Public information meetings.	From outset of project	Youth Union and PIU

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility
activities and tourism development.			on tourism micro-enterprise development, community tourism, road safety and other key project themes to schools and through youth union networks.			
Raise awareness of how to prevent risk of HIV transmission, human trafficking and reducing negative impacts of tourism.	Communities in the project areas, Women's Union/Youth Union, civil works employees and sub-contractors	Direct beneficiaries of project; partners in destination promotion and negative impact reduction activities.	Key risks and mitigation measures of HIV transmission and human trafficking	Public as well as targeted information meetings; community awareness materials, public media.	Prior to commencement of civil works and throughout civil works. During O&M of project facilities.	PCU/PIUs, Gender and Social Development Specialists, VWU Coordinators, and civil works contractor
Ensure a regular flow of project information and promote collaboration to complete project works.	Government officials, contractors, and communities in the project areas.	Responsible for implementation and O&M of infrastructure subprojects.	Project design, key project benefits, implementation arrangements and schedule of civil works Main project impacts (positive and negative). Planned road safety and operation and maintenance measures.	National and Provincial Steering Committee Meetings. Regular coordination meeting for detail design, design of road safety measures implement project activities. Regular flow and sharing of documentation. Project web site.	From outset of project and throughout implementation.	PCU, PIUs, and DOTs
	Provincial Departments of Environment and Natural Resources and DCSTs.	Responsible for environmental safeguards and heritage conservation.	Project is working to ensure environmental safeguards and protection of heritage.	Provincial Steering Committee Meetings. Sharing of subproject designs, and safeguards documents. Project web site.		
Ensure understanding of project impacts, outcomes and	DCSTs/PIUs and District DCSTs	Responsible for overseeing project implementation in their locality.	Effective execution of their tasks, regular follow-up, monitoring and reporting progress and	Dissemination of National Steering Committee decisions and strategic documents.	From outset of project and throughout implementation.	MCST, PCU and PIUs

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility
outputs and importance of theme of inclusive growth.			<p>constraints is important for project success.</p> <p>Community collaboration and inclusive approach is essential to effective project delivery.</p>	<p>Provincial Steering Committee meetings and dissemination of minutes / decisions.</p> <p>Trainings in project management and other institutional strengthening activities.</p> <p>Templates and simple chart (s) showing responsibilities for implementation, flow of funds, flow of activities, monitoring and follow-up.</p> <p>Project web-site.</p> <p>Regular email updates on project activities and relevant developments in GMS tourism.</p> <p>Sharing of information on project budget allocations; transparent process for selection for study tours, GMS regional visits and other benefits/institutional strengthening activities.</p> <p>Gender and EMDP implementation training.</p>		

ADB = Asian Development Bank; CEI = community engagement initiative; CTG = community tourism group; CSO = civil society organization; DCST = Department of Culture, Sports and Tourism; DONRE = Department of Natural Resources and the Environment; DOT= Department of Transport; EA = executing agency; EMP = environmental management plan; GAP = gender action plan; GMS = Greater Mekong Subregion; IEE = initial environmental examination; EMDP = ethnic minority development plan; MCST=Ministry of Culture, Sports and Tourism; NGO = non-governmental organization; O&M = operation and maintenance; PCU = project coordination unit; PIU = project implementation unit; RP = resettlement plan; RRP = Report and Recommendation to the President of the Board; VWU = Vietnam Women's Union.

X. ANTICORRUPTION POLICY

134. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.³⁴ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³⁵

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

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

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

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

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

³⁴ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

³⁵ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

XI. ACCOUNTABILITY MECHANISM

140. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.³⁶

XII. RECORD OF PAM CHANGES

141. The PAM is a living document and is subject to change after ADB Board approval of the project. Hence, all revisions or updates during course of project implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM. The PAM was developed during the loan fact finding mission and revised and endorsed during loan negotiations on 16 July 2014.

142. The following are the revisions/updates made during the course of project implementation:

(i)

³⁶ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

LINKED AND SUPPLEMENTARY DOCUMENTS

1. Loan Agreement
2. Sector Assessment (Summary): Greater Mekong Subregion Tourism
3. Project Administration Manual (current document)
4. Contribution to the ADB Results Framework
5. Development Coordination
6. Financial Analysis
7. Economic Analysis
8. Country Economic Indicators
9. Summary Poverty Reduction and Social Strategy
10. Gender Action Plan
11. Initial Environmental Examination for the Project
12. Initial Environmental Examination: Muang Phang Access Road
13. Initial Environmental Examination: Dien Bien Phu Cultural Exchange and Tourist Information Center
14. Initial Environmental Examination: Lao Cai Cultural Exchange and Tourist Information Center
15. Initial Environmental Examination: Ta Phin–Ban Khoang Access Road
16. Initial Environmental Examination: Huang Tich Pagoda Environmental Improvements
17. Initial Environmental Examination: Nguyen Du Tourism Zone Environmental Improvements
18. Initial Environmental Examination: Ba Den Environmental Improvements
19. Initial Environmental Examination: Phu Tu Environmental Improvements and Da Dung Cave Access Improvements
20. Resettlement Plan: Dien Bien Province
21. Resettlement Plan: Ha Tinh Province
22. Resettlement Plan: Kien Giang Province
23. Resettlement Plan: Lao Cai Province
24. Resettlement Plan: Tay Ninh Province
25. Ethnic Minority Development Plan
26. Risk Assessment and Risk Management Plan

Supplementary Documents

27. Lessons From Past GMS Tourism Projects
28. Tourism Demand Analysis
29. Consultation and Participation Plan
30. Institutional Analysis and Arrangements for O&M of Project Facilities
31. Climate Change Resilience Measures

PROCUREMENT PLAN

Basic Data

Project Name: Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project	
Project Number: 46293-005	Approval Number: xxxxxx
Country: Viet Nam	Executing Agency: Ministry of Culture, Sports and Tourism
Project Financing Amount: \$55.08 ADB Financing: \$50.00 million Non-ADB Financing: \$5.08	Implementing Agency: Ministry of Culture, Sports and Tourism/Departments of Culture, Sports and Tourism of Dien Bien, Ha Tinh, Kien Giang, Lao Cai and Tay Ninh Provinces
Date of First Procurement Plan: 16 July 2014	Date of this Procurement Plan: 16 July 2014

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

1. Procurement and Consulting Methods and Thresholds

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

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	\$5,000,000 and above	
International Competitive Bidding for Goods	\$500,000 and above	
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works	
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods	
Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	
Consultants' Qualifications Selection (CQS)	For auditing firm
Individual Consultant Selection (ICS)	

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

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

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior / Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
Works							
TIIG-VIE-W01	Muang Phang Access Road Improvement	\$6,860,000	ICB	Prior	1S1E	Q2/2015	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W02	Ta Phin-Ban Khoang Access Road Improvement	\$7,245,000	ICB	Prior	1S1E	Q3/2015	No prequalification; No domestic preference; Standard bidding documents

TIIG-VIE-W07	Lao Cai Cultural Exchange and Tourist Information Center	\$1,780,000	NCB	Prior	1S1E	Q3/2015	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W08	Nguyen Du Tourism Zone Environmental Improvements	\$1,500,000	NCB	Prior	1S1E	Q2/2015	No prequalification; No domestic preference; Standard bidding documents

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

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

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

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
Firms							
TIIG-VIE-C01	Project Management, Civil Engineering and Capacity Building Support	\$2,115,000	QCBS	Prior	Q2/2014	FTP	80:20 Quality-Cost Ratio
TIIG-VIE-C02	Construction Supervision Support	\$502,000	QCBS	Prior	Q2/2014	BTP	80:20 Quality-Cost Ratio

BTP= biodata technical proposal; FTP = full technical proposal; Q = quarter; QCBS = quality and cost-based selection

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

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

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior / Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
TIIG-VIE-G01	PCU vehicle ^a	\$55,000	1	Shopping	Prior	Quotation	Q2/2014	No prequalification; No domestic preference
TIIG-VIE-G02	PIU vehicles ^a (5 PIUs)	\$200,000	5	Shopping	Post	Quotation	Q2/2014	No prequalification; No domestic preference
TIIG-VIE-G03	PCU and PIU office furniture and equipment	\$155,000	6	Shopping	Post	1S1E	Q2/2014	No prequalification; No domestic preference

TIIG-VIE-G06	Equipment for DMO partner organizations (Output 3)	\$45,000	10	Shopping	Post	Quotation	Q1/2015	No prequalification; No domestic preference
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1S1E = single stage-one envelope; DMO = destination management organization; NCB = national competitive bidding; PCU = project coordination unit; PIU = project implementation unit

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
Firms								
TIIG-VIE-C03	External Auditor	\$83,250	1	CQS	Prior	Q1/2015	Combined technical-financial proposal	Lump-sum contract
Individual Consultants								
TIIG-VIE-C04	International Financial Management & Procurement Specialist	\$45,500	1	ICS	Prior	Q2/2014	EOI+CV	International 3 p-m
TIIG-VIE-C05	National Financial Management & Procurement Specialist	\$13,250	1	ICS	Prior	Q2/2014	EOI+CV	National 4 p-m
TIIG-VIE-C06	National Independent Resettlement Monitor	\$38,250	1	ICS	Prior	Q2/2014	EOI+CV	National 12 p-m

CV = Curriculum Vitae; EOI = expression of interest; CQS = consultants' qualifications selection; ICS = individual consultant selection; p-m = person-months; Q = quarter

B. Indicative List of Packages Required Under the Project

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

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior / Post)	Bidding Procedure	Comments
Works							
TIIG-VIE-W01	Muong Phang Access Road Improvement	\$6,860,000	1	ICB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W02	Ta Phin-Ban Khoang Access Road Improvement	\$7,245,000	1	ICB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents

TIIG-VIE-W03	Huong Tich Pagoda Environmental Improvements	\$6,688,000	1	ICB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W04	Ba Den Environmental Improvements	\$5,565,000	1	ICB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W05	Phu Tu Environmental Improvement & Da Dung Cave Access	\$6,457,000	1	ICB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W06	Dien Bien Phu Cultural Exchange and Tourist Information Center	\$1,307,000	1	NCB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W07	Lao Cai Cultural Exchange and Tourist Information Center	\$1,780,000	1	NCB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents
TIIG-VIE-W08	Nguyen Du Tourism Zone Environmental Improvements	\$1,500,000	1	NCB	Prior	1S1E	No prequalification; No domestic preference; Standard bidding documents
Goods							
TIIG-VIE-G01	PCU vehicle ^a	\$55,000	1	Shopping	Prior	Quotation	No prequalification; No domestic preference
TIIG-VIE-G02	PIU vehicles ^a (5 PIUs)	\$200,000	5	Shopping	Post	Quotation	No prequalification; No domestic preference
TIIG-VIE-G03	PCU and PIU office furniture and equipment	\$155,000	6	Shopping	Post	1S1E	No prequalification; No domestic preference
TIIG-VIE-G04	Audiovisual equipment	\$55,000	2	Shopping	Post	Quotation	No prequalification; No domestic preference
TIIG-VIE-G05	Public address system	\$25,000	1	Shopping	Post	Quotation	No prequalification; No domestic preference
TIIG-VIE-G06	Equipment for DMO partner organizations (Output 3)	\$45,000	10	Shopping	Post	Quotation	No prequalification; No domestic preference
TIIG-VIE-G07	Equipment for heritage interpretation (Output 3)	\$32,000	10	Shopping	Post	Quotation	No prequalification; No domestic preference
TIIG-VIE-G08	Equipment for MSE development (Output 3)	\$42,000	10	Shopping	Post	Quotation	No prequalification; No domestic preference

TIIG-VIE-G09	Equipment for solid waste management (Output 3)	\$20,000	10	Shopping	Post	Quotation	No prequalification; No domestic preference
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1S1E = single stage-one envelope; ICB = international competitive bidding; DMO = destination management organization; MSE = micro- and small-enterprise; NCB = national competitive bidding; PCU = project coordination unit; PIU = project implementation unit

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments
Firms							
TIIG-VIE-C01	Project Management, Civil Engineering and Capacity Building Support	\$2,115,000	1	QCBS	Prior	FTP	International and National; 80:20 Quality-Cost Ratio
TIIG-VIE-C02	Construction Supervision Support	\$502,000	1	QCBS	Prior	BTP	National; 80:20 Quality-Cost Ratio
TIIG-VIE-C03	External Auditor	\$83,250	1	CQS	Prior	Combined technical-financial proposal	National
Individual Consultants							
TIIG-VIE-C04	International Financial Management & Procurement Specialist	\$45,500	1	ICS	Prior	EOI+CV	International 3 p-m
TIIG-VIE-C05	National Financial Management & Procurement Specialist	\$13,250	1	ICS	Prior	EOI+CV	National 4 p-m
TIIG-VIE-C06	National Independent Resettlement Monitor	\$38,250	1	ICS	Prior	EOI+CV	National 12 p-m

BTP = biodata technical proposal; CV = Curriculum Vitae; CQS = consultants' qualifications selection; EOI = expression of interest; FTP = full technical proposal; ICS = individual consultant selection; p-m = person-months; Q = quarter; QCBS = quality- and cost-based selection

^a Type of vehicle to be confirmed

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

The following tables list the awarded and on-going contracts, and completed contracts.

1. Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments ¹⁰

¹⁰ Providing the Contractor's name and the contract signing date.

Consulting Services							
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments ¹¹

¹¹ Providing the Consulting Firm's name and the contract signing date.

2. Completed Contracts

Goods and Works								
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

Consulting Services								
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

D. National Competitive Bidding³⁷

1. General

7. The laws to be followed for national competitive bidding are set forth in (i) the Law on Procurement No. 61/2005/QH11 of 29 November 2005, (ii) the Construction Law no. 16/2003/QH11 of 26 November 2003, (iii) the Amendment Law No. 38/2009/QH12 of 19 June 2009 amending and supplementing key articles of the above-mentioned two laws, and (iv) the processes described in Decree No. 85/2009/ND-CP of 15 October 2009 on "Guiding Implementation of Procurement Law and Selection of Construction Contractors under the Construction Law"; and updates to these Laws and regulations. Whenever any procedure in the national procurement laws is inconsistent with the ADB Procurement Guidelines (2013, and as amended from time to time), the ADB Guidelines shall prevail, amongst others on the following.

2. Registration

- (i) Bidding shall not be restricted to pre-registered firms and such registration shall not be a condition for participation in the bidding process.
- (ii) Where registration is required prior to award of contract, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and

³⁷ This section will be updated during implementation according to the forthcoming new procurement law.

resources to successfully perform the contract, which shall be verified through post-qualification.

- (iii) Foreign bidders shall not be required to register as a condition for submitting bids.
- (iv) Bidder's qualification shall be verified through pre- or post-qualification process.

3. Eligibility

- (i) National sanction lists may only be applied with approval of ADB³⁸.
- (ii) A firm declared ineligible by ADB cannot participate in bidding for an ADB financed contract during the period of time determined by ADB.
- (iii) A firm which has been engaged by the borrower to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods, works, or services, resulting from or directly related to the firm's consulting services for such preparation or implementation.

4. Prequalification and Post qualification

- (i) Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.
- (ii) In the event where pre-qualification is used, interested firms shall be given no less than 42 days to prepare their pre-qualification submission.
- (iii) When pre-qualification is required, the evaluation methodology shall be based on pass/ fail criteria relating to the firm's experience, technical and financial capacities.
- (iv) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. The evaluation of the bidder's qualifications should be conducted separately from the technical and commercial evaluation of the bid.
- (v) In carrying out the post-qualification assessment, the Employer/ Purchaser shall exercise reasonable judgment in requesting, in writing, from a bidder missing factual or historical supporting information related to the bidder's qualifications and shall provide reasonable time period (a minimum of 7 days) to the bidder to provide response.

5. Preferences

³⁸ Section 52 of the Integrity Principles and Guidelines allows ADB to sanction parties who fail to meet ADB's high ethical standards based on the decisions of third parties, such a decision can only be made by the Integrity Oversight Committee on the basis of ADB's own independent examination of the evidence. As such, the process should follow the normal assessment and investigative processes prescribed by the Integrity Principles and Guidelines. <http://www.adb.org/Documents/Guidelines/Integrity-Guidelines-Procedures/integrity-guidelines-procedures-2006.pdf>

- (i) No preference of any kind shall be given to domestic bidders or for domestically manufactured goods.
- (ii) Regulations issued by a ministry, provincial regulations and local regulations which restrict national competitive bidding procedures to a class of contractors or a class of suppliers shall not be applicable.
- (iii) Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders, and local bidders shall be given no preference (either in bidding process or in bid evaluation) over foreign bidders, nor shall bidders located in the same province or city as the procuring entity be given any such preference over bidders located outside that city or province

6. Advertising

- (i) Invitations to bid (or prequalify, where prequalification is used) shall be advertised in Government Public Procurement Bulletin. In addition, the procuring agency should publish the advertisement in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids and allowing potential bidders to purchase bidding documents up to at least twenty-four (24) hours prior the deadline for the submission of bids. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.
- (ii) Bidding documents shall be made available by mail, or in person, to all who are willing to pay the required fee, if any.
- (iii) The fee for the bidding documents should be reasonable and consist only of the cost of printing (or photocopying) the documents and their delivery to the bidder. (Currently set at 1 Million VND, increase subject to approval of ADB)

7. Standard bidding documents

- (i) The Borrower's standard bidding documents, acceptable to ADB, shall be used. The bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission and opening of bids.
- (ii) Bidders shall be allowed to submit bids by hand or by mail/ courier.

8. Bid Opening

- (i) All bids received after the deadline for submission indicated in the bidding documents will be rejected.
- (ii) All bids received before the bid submission deadline shall be opened except those with proper notice of withdrawal.
- (iii) A copy of the bid opening record shall be promptly provided to all bidders who submitted bids.

9. Bid Evaluation

- (i) Merit points shall not be used in bid evaluation.
- (ii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.³⁹
- (iii) Except with the prior approval of ADB, no negotiations shall take place with any bidder prior to the award, even when all bids exceed the cost estimates.
- (iv) A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.
- (v) Bids shall not be rejected on account of arithmetic corrections of any amount. However, if the Bidder that submitted the lowest evaluated bid does not accept the arithmetical corrections made by the evaluating committee during the evaluation stage, its bid shall be disqualified and its bid security shall be forfeited.

10. Rejection of All Bids and Rebidding

- (i) No bid shall be rejected on the basis of a comparison with the owner's estimate or budget ceiling without the ADB's prior concurrence.
- (ii) Bids shall not be rejected and new bids solicited without the ADB's prior concurrence.

11. Participation by Government-owned enterprises

8. Government-owned enterprises shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under Enterprise law and are not a dependent agency the contracting entity. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

12. Participation by Foreign contractors and suppliers. Joint Ventures and Associations

- (i) Foreign suppliers and contractors from eligible countries shall, if they are interested, be allowed to participate without being required to associate or form joint ventures with local suppliers or contractors, or to subcontract part of their contract to a local bidder.
- (ii) A bidder declared the lowest evaluated responsive bidder shall not be required to form a joint venture or to sub-contract part of the supply of goods as a condition of award of the contract.
- (iii) License for foreign contractors operation in Vietnam would be provided in a timely manner and will not be arbitrarily withheld.

³⁹ Minor, non-substantial deviation is one that, if accepted, would not affect in any substantial way the scope, quality, or performance specified in the contract; or limit in any substantial way, the Contracting entity rights or the Bidder's obligations under the proposed contract or if rectified, would not unfairly affect the competitive position of other bidders presenting substantially responsive bids.

13. Publication of the Award of Contract. Debriefing

- (i) For contracts subject to prior review, within 2 weeks of receiving ADB's "No-objection" to the recommendation of contract award, the borrower shall publish in the Government Public Procurement Bulletin, or well-known and freely-accessible website the results of the bid evaluation, identifying the bid and lot numbers, and providing information on: i) name of each bidder who submitted a bid; ii) bid prices as read out at bid opening; iii) name and evaluated prices of each bid that was evaluated; iv) name of bidders whose bids were rejected and the reasons for their rejection; and v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.
- (ii) For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.
- (iii) In the publication of the bid evaluation results, the borrower shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from the procuring entity. The procuring entity shall promptly provide an explanation of why such bid was not selected, either in writing and / or in a debriefing meeting, at the option of the borrower. The requesting bidder shall bear all the costs of attending such as debriefing. In this discussion, only the bidder's bid can be discussed and not the bids of competitors.

14. Handling of Complaints

10. The national competitive bidding documents shall contain provisions acceptable to ADB describing the handling of complaints in accordance with Chapter X of Decree No. 85/2009/ND-CP, read with Articles 72 and 73 of the Law on Procurement No. 61/2005/QH11; and updates to this Law and related regulations.

15. ADB Member Country Restrictions

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

16. Fraud and Corruption

12. ADB will sanction a party or its successor, including declaring ineligible, either indefinitely or for a stated period of time, to participate in ADB-financed activities if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, an ADB-financed contract.

17. Right to Inspect/ Audit

13. Each bidding document and contract financed from by ADB shall include a provision requiring bidders, suppliers, contractors to permit ADB or its representative to inspect their accounts and records relating to the bid submission and contract performance of the contract and to have them audited by auditors appointed by ADB.

TERMS OF REFERENCE FOR CONSULTING SERVICES

Table 1: Summary of Consultant Inputs

Summary	Person-Months		
	International	National	Total
- Project Management, Civil Engineering and Capacity Building Support	62	209	271
- Construction Supervision Support	0	135	135
- Financial Management & Procurement Support and Independent Resettlement Monitor	3	16	19
- External Auditor		Lump sum	
Total	65	360	425
Package	Person-Months		
Project Management, Civil Engineering and Capacity Building Support			
<i>International</i>			
1 International Tourism Specialist / Team Leader			36
2 International Solid Waste Management Specialist			2
3 International Wastewater Engineer			3
4 International Environmental Specialist			6
5 International Social Safeguards Specialist (Resettlement & Indigenous Peoples)			4
6 International Gender and Social Development Specialist			4
7 International PPP Specialist			4
8 International Monitoring and Evaluation Specialist			3
		<i>Subtotal</i>	62
<i>National</i>			
1 National Lead Civil Engineer / Deputy Team Leader			30
2 National Civil Engineer (5 positions, 8 person-months each)			40
3 National Solid Waste Management Specialist			4
4 National Wastewater Engineer			6
5 National Environmental Specialist			12
6 National Gender and Social Development Specialist			12
7 National Social Safeguards Specialist (Resettlement & Indigenous Peoples)			12
8 National Tourism Destination Management Specialist			24
9 National Tourism Training Specialist			24
10 National Tourism MSE Value Chain Specialist			5
11 National Tourism MSE Development Specialist (northern provinces)			10
12 National Tourism MSE Development Specialist (southern provinces)			10
13 National Heritage Specialist			5
14 National Marketing and Promotion Specialist			5
15 National Monitoring and Evaluation Specialist			10
		<i>Subtotal</i>	209
Construction Supervision Support			
<i>National</i>			
1 National Construction Supervision Engineer (9 positions, 15 person-months each)			135
		<i>Subtotal</i>	135
Financial Management & Procurement Support and Independent Resettlement Monitor			
<i>International</i>			
1 International Financial Management & Procurement Specialist			3
		<i>Subtotal</i>	3
<i>National</i>			
1 National Financial Management & Procurement Specialist			4
2 National Independent Resettlement Monitor			12
		<i>Subtotal</i>	16
External Auditing			
1 External Auditor			Lump sum

A. INTRODUCTION

1. The objectives of the consulting services are to support the Ministry of Culture, Sports and Tourism of Viet Nam implement the Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (the project). The total consulting service requirements are an estimated 425 person-months (65 person-month international and 360 person-months national) and include (i) Project Management, Civil Engineering and Capacity Building Support; (ii) Construction Supervision Support, (iii) Financial Management & Procurement Support and Independent Resettlement Monitor, and (v) an External Auditor.

2. The Project Management, Civil Engineering and Capacity Building Support consulting package and the Construction Supervision Support consulting package will be recruited through firms using the quality- and cost-based selection (QCBS) method with standard quality-cost ration of 80:20. The Financial Management & Procurement Support and Independent Resettlement Monitor consultants will be recruited as individual consultants. The External Auditor will be recruited using the Consultants' Qualifications Selection (CQS) method. All consultants will be recruited in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).

B. PACKAGE 1: PROJECT MANAGEMENT, CIVIL ENGINEERING AND CAPACITY BUILDING SUPPORT

3. This consulting services package will include an estimated 271 person-months (62 person-month international and 209 person-months national) to (i) assist the PCU and PIUs with detailed design and tendering of civil works; (ii) assist the PCU and PIUs with the implementation of institutional capacity building activities related to tourism destination management and subregional tourism cooperation; (iii) assist the EA ensure social and environmental safeguards compliance and implement the social development and gender action plan; and (iv) provide project management and administrative support to the PCU and PIUs. The consultants will be recruited through a firm using the quality- and cost-based selection (QCBS) method with standard quality-cost ration of 80:20. The contract for this package will include provisional sums for (i) technical surveys needed for detailed design and (ii) institutional capacity building activities to promote inclusive tourism growth under Output 3. Detailed terms of references for the consultants included in this package are as follows:

1. International Tourism Specialist / Team Leader (36 person-months)

4. The International Tourism Specialist/Team Leader (ITS/TL) will (i) be responsible for the overall supervision of the international and national consultants and (ii) direct and supervise all aspects of the project's destination management capacity building support (Output 3, and subregional activities in Output 4). In undertaking the assigned tasks, the ITS/TL will coordinate with appropriate PCU/PIU staff and work closely with and be supported by the National Lead Civil Engineer/Deputy Team Leader (NLCE/DTL). Specific tasks include:

Project management tasks

- (i) Supervise and coordinate the work of the international and national consultants, and ensure that the consultants' outputs are in accordance with agreed Terms of Reference and project requirements;
- (ii) Prepare and regularly review the consultants' personnel schedule to coordinate PCU, PIU and international and national consultants' inputs and respond to changing project circumstances if and when these occur;

- (iii) In coordination with the NLCE/DTL, and in close consultation with the PCU and PIUs, lead the preparation of the five-year and annual project activity plans and budgets and monitor activity implementation;
- (iv) Supervise the design and operationalize standard project management and administration systems, procedures and controls in compliance with ADB and Government guidelines and procedures;
- (v) Supervise the development and implementation of project financial monitoring and reporting activities;
- (vi) Supervise the design and implementation of appropriate training programs in the use of the project management and administration systems, procedures and controls;
- (vii) Supervise and contribute to the design of training programs for sustainable operations and maintenance of facilities constructed by the project;
- (viii) Supervise the finalization and implementation of a Project Performance Management System (PPMS), including project impact, outcome and output indicators, as defined in the DMF, as well as safeguards and gender and social development indicators;
- (ix) Support the PCU and PIUs to comply with ADB Loan covenants, assurances and safeguard requirements, as well as with national and provincial policies and regulations;
- (x) Coordinate the design, launch and maintenance of a project website to disseminate information about the project such as procurement and consultant recruitment notices, information on contract awards, work plans, progress reports, knowledge products, social and environmental safeguards documents and monitoring and grievance redress procedures;
- (xi) Organize regular project management team meetings including the international and national consultants and PCU;
- (xii) Review project goods and services procurement proposals and ensure they are in accordance with the approved procurement plan;
- (xiii) In coordination with the PCU Financial Controller recommend payments to contractors;
- (xiv) Supervise the administration of the provisional sums for technical surveys for detailed design;
- (xv) Administer the provisional sums for institutional capacity building activities to promote inclusive tourism growth under Output 3.
- (xvi) Advise the PCU on developing a web-based knowledge center, and oversee uploading of all training and knowledge products and marketing and promotional materials produced by the project;
- (xvii) In cooperation with the NLCE/DTL, review and consolidate all consultant's reporting submissions and into integrated high quality reports in accordance with agreed reporting schedules;
- (xviii) With the NLCE/DTL plan for and develop systems and procedures for sustainable operation and maintenance (O&M) of project supported on-site tourist facilities;
- (xix) Undertake other specific technical management inputs where these may be required;

Destination management capacity building tasks

- (i) Initiate the destination management capacity building activities by assisting the PCU and the consultants undertake a comprehensive review of all project documentation including detailed activity descriptions and budget allocations, and safeguard requirements as they pertain to destination management capacity building;

- (ii) Assign coordination responsibilities for output 3 activity clusters to international and national consultants, and agree on work plans that include timelines and milestones for each consultant;
- (iii) Ensure good coordination between the PCU, PIUs and the international and national consultants on all aspects of the destination management capacity building project component;
- (iv) Together with the PIUs, coordinate the establishment of destination planning and management frameworks for destination planning;
- (v) Together with the PIUs, develop specific capacity building activities at destination level that will ensure the effective implementation of destination management plans (DMPs);
- (vi) Support the PIUs prepare DMPs in close consultation with local stakeholders at project supported destinations;
- (vii) Coordinate with the Public Private Partnership Specialist on the validation of PPPs designs for the operation of public tourist facilities and/or formation of marketing and promotion associations in the project-supported tourism destinations;
- (viii) Coordinate the heritage protection, management and interpretation program with the National Heritage Specialist, Environmental Specialists, Social Safeguards Specialists and the PIUs;
- (ix) Coordinate with the Micro- and Small-Enterprise Development consultants to ensure that the planning and implementation of MSE development activities are closely integrated with the overall destination development planning and management activities;
- (x) Direct the National Marketing and Promotion Specialist carry out the project's marketing and promotion activities and ensure consistency between national marketing and product development efforts and regional initiatives to promote multicountry tours;
- (xi) Closely support the national tourism consultants in planning and implementation of activities included in the (i) Public Health and Safety Promotion Program, (iii) Tourism Awareness Program, and (iii) the Program to Combat Child Exploitation and Human Trafficking.
- (xii) Seek to arrange cooperative partnerships with development partners, NGOs, local communities and the private sector in the implementation of destination management capacity building activities;
- (xiii) Participate in national and subregional meetings to report results, share project implementation experiences and compare lessons regarding the destination management component of the project;
- (xiv) Support the PCU collaborate with NTOs in Cambodia and Lao PDR, as well as other GMS countries, to harmonize collection, analysis and reporting of GMS tourism statistics, build capacity among relevant NTO staff on the implementation of the uniform reporting formats and to collaborate with the Mekong Tourism Coordination Office on establishing mechanisms for consolidation and publication of GMS tourism statistics;
- (xv) In collaboration with the National Tourism Destination Management and Training Specialist, support the PCU to collaborate with NTOs in Cambodia and Lao PDR, as well as other GMS countries, and the Mekong Tourism Coordination Office to implement the project's GMS Marketing and Promotion Program;
- (xvi) In collaboration with the National Tourism Destination Management and Training Specialist, support the PCU to implement ASEAN Tourism Standards through development of national certification processes, preparation of training manuals and implementation of training and certification in key tourist destinations.
- (xvii) Undertake other specific tourism development and management technical inputs where these may be required.

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

2. International Solid Waste Management Specialist (2 person-months)

6. The International Solid Waste Management Specialist (ISWMS), with assistance from the National Solid Waste Management Specialist (NSWMS), will be responsible for supervising and advising on the detailed design of, and development of O&M arrangements for, solid waste management components of subprojects. Specific tasks include:

- (i) Provide guidance to the project's civil engineers in the detailed design of solid waste management components (incl. solid waste transport systems and onsite landfills) of all the subprojects, with a particular focus on the Output 2 subprojects that involve significant solid waste management interventions, such as at Ba Den Mountain, Huong Tich and Phu Tu;
- (ii) Review and finalize parts of detailed designs, cost estimates, specifications and procurement documents related to solid waste management systems;
- (iii) With the PIUs and responsible agencies, plan for and develop systems and procedures for sustainable operation and maintenance (O&M) of solid waste management systems;
- (iv) Advise on the hand over arrangements of the solid waste management systems to the agencies who will be responsible for O&M;
- (v) Conduct in collaboration with the counterpart and other team members the capacity development needs assessments in planning and implementation of O&M of solid waste management components of subprojects and develop training programs for agencies and personnel tasked with O&M;
- (vi) Contribute to the routine reporting of activities under Outputs 1&2 of the project.

7. Preferred Qualifications and Experience: An appropriate tertiary qualification in engineering or environmental engineering and expertise and proven experience at a senior level in planning, design, construction, operation and maintenance of solid waste management systems (incl. solid waste transport systems and sanitary landfills). Experience with implementation of ADB or other internationally financed projects will be an advantage.

3. International Wastewater Engineer (3 person-months)

8. The International Wastewater Engineer (IWE), with assistance from the National Wastewater Engineer (NWE), will be responsible for supervising and advising on the detailed design of, and development of O&M arrangements for, wastewater management components of the subprojects. Specific tasks include:

- (vii) Provide guidance to the project's civil engineers in the detailed design of wastewater management components (incl. drainage and wastewater treatment systems) of all the subprojects, with a particular focus on the Output 2 subprojects that involve significant wastewater management interventions, such as at Ba Den Mountain, Huong Tich and Phu Tu;
- (viii) Review and finalize parts of detailed designs, cost estimates, specifications and procurement documents related to wastewater management systems;
- (ix) With the PIUs and responsible agencies, plan for and develop systems and procedures for sustainable operation and maintenance (O&M) of wastewater management systems;

- (x) Advise on the hand over arrangements of the wastewater management systems to the agencies who will be responsible for O&M;
- (xi) Conduct in collaboration with the counterpart and other team members the capacity development needs assessments in planning and implementation of O&M of wastewater components of subprojects and develop training programs for agencies and personnel tasked with O&M;
- (xii) Contribute to the routine reporting of activities under Outputs 1&2 of the project.

9. Preferred Qualifications and Experience: An appropriate tertiary qualification in engineering or environmental engineering and expertise and proven experience at a senior level in planning, design, construction, operation and maintenance of wastewater management systems. Experience with implementation of ADB or other internationally financed projects will be an advantage.

4. International Environmental Specialist (6 person-months)

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

- (i) Update the IEE/EMPs to ensure that they address the detailed designs and engineering of subprojects - updated EMPs will include mitigation and monitoring plans, budget, and capacity development needs of executing agency, PCU and PIUs;
- (ii) In collaboration with the NES provide initial training to MCST and DCST on the purpose, content, and roles and responsibilities for implementation of updated EMPs;
- (iii) Ensure that all relevant safeguards of the EMPs are adequately addressed in the bidding documents (instruction to bidders), and in the evaluation criteria for awarding contracts;
- (iv) Coordinate and work with the PIUs to ensure that contractors finalize their respective site-specific Contractor's Environmental Management Plans (CEMPs) based on the updated EMPs and the actual site conditions;
- (v) Oversee the implementation of all safeguards measures of the EMPs relating to construction phase activities including handling of construction spoil and waste, water and air quality protection, public nuisance impacts (noise, dust, traffic, blocked access, workers, and camps), and public safety;
- (vi) Coordinate with provincial Departments of Natural Resources & Environment (DONRE) on all relevant environmental regulatory compliance issues (e.g. for treated effluent discharge, noise and dust from construction sites, and sanitation in workers campsite etc.).
- (vii) Coordinate with DCSTs to address traffic safety issues during road upgrades.
- (viii) With PIUs, undertake follow-up interviews and consultations with the same affected stakeholders and local residents contacted during project preparation on issues and concerns arising during project construction - of particular concern is upgrades to access roads;
- (ix) Prepare TOR(s) for conducting water and air quality sampling, and laboratory analyses for the monitoring plans for the provincial EMPs;
- (x) Prepare TOR(s) for the survey, detection, and removal of unexploded ordnance (UXO) at civil works sites suspected of containing UXO. Ensure that the EA and/or PIUs consult the Vietnamese National Steering Committee on Mine Action to assist with TOR development and implementation.

- (xi) Advise PIUs on environment-related concerns arising during subproject construction, and recommend corrective measures;
- (xii) With PIUs, ensure dissemination to stakeholders the results of environment quality monitoring and implementation of safeguards, especially among households or small businesses near the civil construction works areas;
- (xiii) Assist the PCU and PIUs prepare a table of contents for regular reports the PIUs will submit to the PCU on implementation of EMPs, environmental, issues, and corrective actions;
- (xiv) Assist PIUs prepare a simple monthly report template for construction contractors to report on mitigation activities, and environmental issues that occur during the construction phase;
- (xv) Prepare quarterly status reports and period spot checks on the implementation of EMPs, environmental issues, and public safety protection to be submitted through the PIU and PCU to the provincial DONREs and ADB.

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

5. International Social Safeguards Specialist (Resettlement & Indigenous Peoples) (4 person-months)

11. The International Social Safeguards Specialist (ISSS), assisted by the National Social Safeguards Specialist, will support the PCU in updating the Resettlement Plans (RP) and Ethnic Minority Development Plan (EMDP), developing capacity of national, provincial and local officials responsible for their implementation and putting in place mechanisms for internal monitoring during implementation. Specific tasks include:

- (i) Ensuring that due diligence in implementing the RPs and the EMDP is carried out for all subprojects;
- (ii) According to the provisions in the social safeguard plans, assist in preparing the materials and strategy for the information campaigns, public consultations and community participation;
- (iii) Prepare the survey materials and method to complete the detailed measurement survey with information from the infrastructure detailed design and update the census of affected persons;
- (iv) Update the RPs, and follow-up to ensure their approval within MCST;
- (v) Update and operationalize the EMDP;
- (vi) In coordination with the PCU/PIU Safeguards Officers, prepare training modules on inclusion of ethnic groups in tourism activities as part of the training and capacity development programs under institutional strengthening activities (Output 3 & 4);
- (vii) Brief officials at all levels on the content and procedures for implementing the social safeguard plans and improve, if necessary, procedures for the coordination of resettlement, compensation and implementation of EMDP activities;
- (viii) Ensure that mechanisms to address grievances promptly and properly are in place and functioning well;
- (ix) Establish procedures for internal monitoring of relevant indicators in the project performance management system and project baseline report;

- (x) Design and deliver capacity development activities for all relevant agencies, as needed, in the areas of ADB resettlement and indigenous peoples policies, participation and communication and grievance procedures;
- (xi) Train PCU and PIU assigned social safeguard focal persons to carry out internal monitoring and reporting of social safeguards plans.
- (xii) Prepare quarterly status reports and period spot checks on the implementation of RPs and EMDPs, to be submitted through the PIU and PCU to ADB.

12. Preferred Qualifications and Experience: An advanced degree in the social sciences, familiarity with ADB's *Safeguard Policy Statement 2009* (SPS 2009) and the related laws and policies of Viet Nam and 3 years of experience implementing RPs and EMDPs in similar projects. Experience with ADB project implementation in Viet Nam will be an advantage.

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

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

- (i) Review and operationalize GAP including gender aspects of the resettlement plans;
- (ii) Prepare training modules in gender equality to support various training and capacity development programs under the institutional strengthening activities (Output 3 & 4), including capacity building training on resettlement for the Resettlement Committees (RCs), Women's Union, and Youth Union;
- (iii) Review and provide inputs in the detailed design to ensure that design elements maximize benefits and minimize negative impacts to women;
- (iv) In coordination with the PCU and PIU Safeguards Officers prepare training modules on inclusion of women from ethnic groups in tourism activities as part of the training and capacity development programs under institutional strengthening activities (Output 3 & 4);
- (v) Support the PCU and PIUs to operationalize the Consultation and Participation Plans, and the Stakeholder Communication Strategy and provide guidance and training on effective participatory methods and development communication techniques to realize the objectives of each plans;
- (vi) Support the tourism consultants in designing training programs that are gender sensitive and relevant to the livelihood needs and priorities of women and ethnic groups – in particular support the Tourism Value Chain Specialist and Tourism MSE Development Specialists to identify tourism products that provide women with the maximum economic benefits with the least addition to their labor time;
- (vii) Support PCU and PIU Safeguards Officers in consultation, training and facilitation methods for improving outreach to men and women from different ethnic groups;
- (viii) Develop sex- and ethnicity-disaggregated monitoring indicators (together with the Monitoring & Evaluation Specialists) for inclusion in the project performance management system and project baseline report and support PIUs to monitor and report on these indicators' implementation and achievements;
- (ix) Establish templates for reporting on progress of the GAP, Consultation and Participation Plans and Stakeholder Communication Strategy for regular progress reports;
- (x) Share/introduce international practice on tourism statistics collection to ensure people related data are sex disaggregated.

14. Preferred Qualifications and Experience: An advanced degree in the social sciences,

familiarity with ADB's *Safeguard Policy Statement 2009* (SPS 2009) and the related laws and policies of Viet Nam and 3 years of experience implementing GAPs, Consultation and Participation Plans and Stakeholder Communication Strategies in similar projects. Experience with ADB project implementation in Viet Nam will be an advantage.

7. International Public-Private Partnership Specialist (4 person-months)

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

- (i) Review all relevant project documentation, especially the preliminarily identified PPP opportunities;
- (ii) Validate the assumptions used in the feasibility study for the project during loan preparation stage and revise if necessary;
- (iii) Prepare comprehensive financial projections that will provide clear indication of the potential for undertaking PPPs;
- (iv) Provide detailed advice to the government on the next steps taking into account international best practice on PPP's, preferably with similar facilities;
- (v) Review all institutional and regulatory issues relating to PPP transactions;
- (vi) In close coordination with the National Lead Civil Engineer/Deputy Team Leader and the respective PIUs, determine the PPP modality best suited for at least 3 identified PPP opportunities;
- (vii) Collaborate with PIUs and the International Tourism Specialist/Deputy Team Leader on the establishment of destination marketing and promotion teams in selected Destination Management Organizations and where applicable support PPPs for marketing and promotion activities in Destination Management Plans developed by the project;
- (viii) Provide advisory services to assist the government in the preparation of request for proposals, bid evaluation systems and criteria, design of a suitable bid process that will ensure comparable bids and a draft PPP agreement in compliance with government regulations;
- (ix) Participate in the negotiations with potential private partners as an advisor to the Government contracting entity.

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

8. International Monitoring and Evaluation Specialist (3 person-months).

17. The International Monitoring and Evaluation Specialist (IMES) will be responsible for working closely with the PCU-based National Project Deputy Director, Team Leader, National Lead Civil Engineer and safeguards consultants on establishing and building the capacity among relevant PCU, PIU staff to implement a Project Performance Management System (PPMS) to monitor and evaluate the project during implementation. Specific tasks include:

- (i) Review all relevant project documents, especially the Design and Monitoring Framework (DMF) and safeguards plans;

- (ii) Verify and confirm baseline data and targets for project DMF outcomes and outputs, and specific safeguards indicators as stated in the relevant safeguards plans and confirm data sources
- (iii) Lead the preparation of a project baseline report based on indicators in the PPMS and safeguards and gender and social development documents;
- (iv) Lead the preparation of the PPMS, including selection of key performance indicators, monitoring and evaluation procedures, monitoring tools, implementation arrangements, schedules and reporting protocols;
- (v) Contribute to preparation of the project's mid-term review and the EA's project completion report;
- (vi) Provide training for concerned PCU and PIU staff in data collection, analysis and reporting under the PPMS.

18. Preferred Qualifications and Experience: A university degree and relevant technical experience to advise and assist the PCU plan and implement project monitoring and evaluation, 8 years professional experience in developing and implementing project monitoring and evaluation systems. Experience with ADB PPMS development and implementation and experience in the tourism sector will be advantages.

9. National Lead Civil Engineer / Deputy Team Leader (30 person-months)

19. The National Lead Civil Engineer/Deputy Team Leader (NLCE/DTL) will (i) direct the National Civil Engineers and National Civil Engineering Supervision Support consultants in the preparation of Output 1 and 2 detailed engineering and architectural designs and bidding documents and construction supervision; and (ii) assist the International Tourism Specialist/Team Leader (ITS/TL) with supervising and coordinating the inputs of the project consultants. In undertaking the assigned tasks, the NLCE/DTL will coordinate with appropriate PCU/PIU staff. Specific tasks include:

Infrastructure design and supervision tasks

- (i) Supervise the team of National Civil Engineers and National Civil Engineering Supervision Support consultants;
- (ii) Initiate project detailed design and implementation activities by assisting the PCU in a comprehensive review of all project documentation including feasibility studies, preliminary designs, cost estimates, procurement plans, and safeguard requirements;
- (iii) Direct field operations in identifying the scope and assist procurement of technical surveys needed to prepare detailed designs;
- (iv) Administer the provisional sums for technical surveys for detailed design;
- (v) Identify detailed subproject engineering requirements;
- (vi) Develop design standards and refine the preliminary cost estimates;
- (vii) Assign responsibilities to the national civil engineering consultants and PIU civil Works Coordinators regarding the preparation of detailed engineering documentation, specification and bills of quantities;
- (viii) Lead the preparation of contract packages for tendering in accordance with ADB and Government procurement guidelines and define requirements for a conforming tender with criteria for evaluation of bids based on price and performance;
- (ix) Coordinate with the PCU and PIUs to ensure that all necessary approvals from provincial and local authorities have been obtained;
- (xx) Prepare bid evaluation reports against established criteria and recommend the award of contracts;

- (x) Establish construction quality, environmental and audit procedures and verify contractors meet all financial and insurance obligations as required by the bid document;
- (xi) Supervise the construction supervision consultants carrying out routine compliance supervision during construction and submit regular progress reports to both government and ADB.
- (xii) Ensure safeguards and appropriate technical procedures are followed during construction, facilitate regular site visits, and review test results and quality audits;
- (xiii) Monitor and recommend payment certification based on progress and compliance with the bidding documents.
- (xiv) Evaluate and make recommendations to the PCU with respect to any variations submitted by the contractor;
- (xv) With the PIUs, other team members and responsible agencies for roads, wastewater, and solid waste management, plan for and develop systems and procedures for sustainable operation and maintenance (O&M) of project supported infrastructure, including public-private partnerships;
- (xvi) Undertake other specific technical civil engineering inputs where these may be required.

Project management tasks

- (i) Act in the role of Team Leader in the absence of the ITS/TL;
- (ii) Assist the ITS/TL prepare and regularly review the consultants' personnel schedule to coordinate PCU, PIU and international and national consultants' inputs and respond to changing project circumstances if and when these occur;
- (iii) Coordinate with the ITS/TL to assist the PCU prepare five-year and annual project activity plans and budgets and monitor activity implementation;
- (iv) Contribute to the design and implementation of standard project management and administration systems, procedures and controls in compliance with ADB and Government guidelines and procedures;
- (v) Contribute to the preparation of a Project Performance Management System to ensure destination management capacity development aspects are adequately represented, and assist in confirming baseline data and targets;
- (vi) Lead discussions on Output 1&2 civil engineering and O&M related matters during regular project management team meetings with the international and national consultants and PCU/PIUs;
- (vii) Cooperate with the ITS/TL in reviewing and consolidating all consultant's reporting submissions into integrated high-quality reports in accordance with agreed reporting schedules, including quarterly progress reports.
- (viii) Undertake other specific technical management inputs where these may be required.

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

10. National Civil Engineer (5 positions, 8 person-months each)

21. The National Civil Engineer (NCE) will assist the National Lead Civil Engineer/Deputy Team Leader (NLCE/DTL) support the PIUs in the preparation of detailed engineering and architectural designs and bid documents. Specific tasks include:

- (i) Assist with identifying the scope of technical surveys needed to prepare detailed designs and coordinate the conduct of the required technical surveys;
- (ii) Identify detailed subproject engineering requirements;
- (iii) Develop design standards;
- (iv) Under direction of the NLCE/DTL, work closely with the PIU infrastructure teams to prepare detailed engineering documentation, specifications, and bills of quantities;
- (v) Prepare detailed infrastructure designs and cost estimates;
- (vi) Assist with the preparation of contract packages for tendering in accordance with ADB and Government procurement guidelines, defining the requirements for a conforming tender, with criteria for evaluation of bids based on price and performance;
- (vii) As directed by the NLCE/DTL, undertake other specific technical civil engineering inputs where these may be required.

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

11. National Solid Waste Management Specialist (4 person-months)

23. The National Solid Waste Management Specialist (NSWMS) will assist the International Solid Waste Management Specialist (ISWMS), with detailed design, and development of O&M arrangements, for solid waste management components of the subprojects. Specific tasks include:

- (i) Provide hands-on assistance to the civil engineering team with detailed design of solid waste management components (incl. solid waste transport systems and onsite landfills) of all the subprojects, with a particular focus on subprojects that involve significant solid waste management interventions, such as at Ba Den Mountain, Huong Tich and Phu Tu;
- (ii) Assist the ISWMS review and finalize parts of detailed designs, cost estimates, specifications and procurement documents related to solid waste management systems;
- (iii) Assist the PIUs and responsible agencies plan for the sustainable operation and maintenance (O&M) of solid waste management systems;
- (iv) Assist the ISWMS conduct capacity develop and implement training programs for O&M of the solid waste management components of subprojects;
- (v) Contribute to routine reporting on project activities.

24. Preferred Qualifications and Experience: An appropriate tertiary qualification in engineering or environmental engineering and expertise and proven experience in planning, design, construction, operation and maintenance of solid waste management systems (incl. solid waste transport systems and sanitary landfills). Experience on ADB or other internationally financed projects will be an advantage.

12. National Wastewater Engineer (6 person-months)

25. The National Wastewater Engineer (NWE) will assist the International Wastewater Engineer (IWE) with detailed design and development of O&M arrangements for wastewater management components of the subprojects. Specific tasks include:

- (i) Provide hands-on assistance to the civil engineering team to prepare detailed design of wastewater management components (incl. drainage and wastewater treatment systems) of subprojects;

- (ii) Assist the IWE review and finalize parts of detailed designs, cost estimates, specifications, and procurement documents related to wastewater management systems;
- (iii) Assist the PIUs and responsible agencies plan for the sustainable operation and maintenance (O&M) of wastewater management systems;
- (iv) Assist the ISWMS conduct capacity develop and implement training programs for O&M of the wastewater components of subprojects;
- (v) Contribute to routine reporting on project activities.

26. Preferred Qualifications and Experience: An appropriate tertiary qualification in engineering or environmental engineering and have expertise and proven experience in planning, design, construction, and operation and maintenance of wastewater management systems. Experience on ADB or other internationally financed projects will be an advantage.

13. National Environmental Specialist (12 person-months)

27. The National Environmental Specialist (NES) will provide assistance to the International Environmental Specialist (IES) including acquisition of new information to update the Initial Environmental Evaluation (IEE) and Environmental Management Plans (EMP) according to detailed infrastructure designs, and work with the PIU on monitoring environmental management. Specific tasks include:

- (i) Assist with updating IEE and EMPs to ensure that these documents address the detailed infrastructure designs;
- (ii) Develop and implement training for PCU and PIU staff on the purpose, content, and roles and responsibilities for ensuring compliance with the updated EMPs;
- (iii) Ensure relevant safeguards of the EMPs are accurately addressed in the bidding documents and evaluation criteria;
- (iv) Assist PIUs to ensure that contractors prepare their respective site-specific plans based on the updated EMPs and the actual site conditions;
- (v) Assist the IES oversee the implementation of all safeguards of the EMPs relating to construction phase activities including handling of construction spoil and waste, water and air quality protection, public nuisance impacts (noise, dust, traffic, blocked access, workers, and camps), and public safety;
- (vi) Coordinate with the provincial Departments of Natural Resources & Environment (DONRE) on all relevant environmental regulatory compliance issues (e.g. noise and dust from construction sites, sanitation in workers campsite etc.);
- (vii) Assist PIUs prepare for and undertake follow-up interviews and consultations with the same affected stakeholder and local residents contacted during project preparation on issues and concerns arising during project construction -of particular concern are the upgrades to access roads;
- (viii) Assist DCSTs to address traffic safety issues during road upgrades;
- (ix) Together with the IES, advise the PIUs on environment-related concerns arising during subproject construction, and recommend corrective measures;
- (x) Together with PIUs, assist with dissemination to stakeholders the results of environmental quality monitoring and implementation of safeguards, especially among households or small businesses near the civil construction works areas;
- (xi) Assist with all reporting for the EMP.

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

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

29. The National Gender and Social Development Specialist (NGSDS) will support the International Gender and Social Development Specialist (IGSDS) to review and operationalize the Gender Action Plan (GAP) the Consultation and Participation Plans, and the Stakeholder Communication Strategy, and assist with capacity development of PCU and PIUs staff to effectively carry out the plans. Specific tasks include:

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

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

15. National Social Safeguards Specialist (Resettlement & Indigenous Peoples) (12 person-months)

31. The National Social Safeguards Specialist (NSSS) will assist the International Social Safeguards Specialist (ISSS) in updating the Resettlement Plans (RPs) and Ethnic Minority Development Plan (EMDP), including coordinating the Detailed Measurement Survey, and support the PCU in all aspects of implementing the updated social safeguards plans. Specific tasks include:

- (i) Support the PCU and provincial PIUs in implementing the RPs and EMDP for all subprojects;
- (ii) Assist the PCU and PIUs develop and implement information campaigns, public consultation and community participation on social safeguards implementation;
- (iii) Coordinate the detailed measurement survey based on information from the infrastructure detailed design, and update the list of affected persons;
- (iv) Assist the ISSS to update the RPs and EMDP;
- (v) Advise PCU and ISSS on how to improve procedures for the coordination of resettlement, compensation, and the implementation of actions in the EMDP;
- (vi) Verify the calculations of compensation made by the Provincial and District Resettlement Committee in relation to the provisions of the RP entitlement matrix, and advise the PCU and PIUs on any required measures needed to ensure compensation levels are made according to the RP provisions;
- (vii) Monitor compensation payments and advise the PCU and PIUs of an actions to take to ensure compensation is paid in full and in a timely manner;
- (viii) Ensure that grievances are addressed promptly and properly and that the grievance redress mechanism is functioning well;
- (ix) Provide periodic training on grievance redress if needed;
- (x) Establish and implement liaison mechanisms to ensure proper technical and logistical support to PIUs, local administrative authorities, resettlement committees and concerned government departments;
- (xi) Establish and implement procedures for internal monitoring of indicators in the project performance management system and project baseline report;
- (xii) Design and deliver capacity development activities on ADB social safeguard policies for all relevant agencies, as needed, including requirements for participation, communication and gender mainstreaming;
- (xiii) Train PIU and PCU assigned social safeguards focal persons to carry out internal monitoring and reporting of RPs and EMDPs;
- (xiv) Monitor grievance redress processes from all affected households.

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

16. National Tourism Destination Management Specialist (24 person-months)

33. The National Tourism Destination Management Specialist (NTDMS) will support the International Tourism Specialist/Team Leader (ITS/TL) develop and implement the project's destination management capacity building support program (Output 3), with a focus on capacity building for destination management organizations (DMO) and preparation of destination management plans (DMP). In undertaking the assigned tasks, the NTDMS will coordinate with appropriate PCU/PIU staff and other destination management consultants. Specific tasks include:

- (i) Participate in a comprehensive review of all project documentation including detailed activity descriptions and budget allocations, and safeguard requirements as they pertain to destination management capacity building;
- (ii) Facilitate good coordination between the PCU, PIUs and consultants to effectively implement output 3 activities;
- (iii) Assist with coordinating the establishment of destination planning and management frameworks for destination planning;

- (iv) Support the National Tourism Training Specialist (NTTS) to develop and implement specific capacity strengthening activities for DMO member organizations to ensure the effective implementation of DMPs;
- (v) Provide hands-on assistance to the PIUs in the preparation of DMPs in close consultation with local stakeholders at project supported destinations;
- (vi) Assist the Public Private Partnership Specialist to identify PPPs in project areas and ensure that PPP modalities are incorporated in the DMPs;
- (vii) Collaborate with the Tourism MSE Development Specialists to implement MSE development activities and ensure that these initiatives are incorporated in the DMPs;
- (viii) Plan and implement activities included in the (i) Public Health and Safety Promotion Program, (ii) Tourism Awareness Program, and (iii) the Program to Combat Child Exploitation and Human Trafficking, in close coordination with the Gender and Social Development Specialists, Social Safeguards Specialists and the PIU Safeguards Officers.
- (ix) Assist the ITS/TL support the PCU to collaborate with NTOS in Cambodia and Viet Nam, as well as other GMS countries, and the Mekong Tourism Coordination Office to implement the project's GMS Marketing and Promotion Program;
- (x) Assist the ITS/TL support the PCU to implement ASEAN Tourism Standards through development of national certification processes, preparation of training manuals and implementation of training and certification in key tourist destinations.
- (xi) Participate in national meetings to report results, share project implementation experiences and compare lessons on capacity building to improve tourist destination management;
- (xii) Undertake other activities to support inclusive tourism development and training in project areas.

34. Preferred Qualifications and Experience: A tourism specialist with a university degree in a relevant field, 8 years professional experience working on international projects, a high percentage of which in the tourism sector. Specific experience with destination management planning and capacity building will be an advantage.

17. National Tourism Training Specialist (24 person-months)

35. The National Tourism Training Specialist (NTTS) will support the International Tourism Specialist/Team Leader (ITS/TL) to develop and implement the project's destination management capacity building support program under Output 3. In undertaking the assigned tasks, the NTTS will coordinate with the appropriate PCU/PIU staff and other destination management consultants. Specific tasks include:

- (i) Participate in a comprehensive review of all project documentation including detailed activity descriptions and budget allocations, and safeguard requirements as they pertain to destination management capacity building;
- (ii) Conduct training and capacity needs assessments among destination management organization (DMO) members;
- (iii) In coordination with the PCU and project's tourism and MSE development consultants, prepare a comprehensive training plan for the destination management capacity building project component;
- (iv) Ensure good coordination between the PCU, PIUs and the national consultants on all tourism training activities;
- (v) Take the lead in the development and implementation of specific capacity strengthening activities for DMO member organizations at various levels to ensure the effective implementation of destination management plans (DMPs);

- (vi) Collaborate with the NTDMS on providing hands-on assistance to the PIUs in the preparation of DMPs, particularly ensuring that on-going training and capacity building of DMO members is fully integrated into the DMPs;
- (vii) Assist the Public Private Partnership Specialist to strengthening the capacity of DCSTs to facilitate and manage tourism-related PPPs;
- (viii) Collaborate with the MSE development consultants on the implementation of MSE training activities and ensure these initiatives are incorporated in the DMPs;
- (ix) Assist the ITS/TL and the National Marketing and Promotion Specialist with marketing and promotion capacity building activities among DMO members;
- (x) Plan and implement training activities in the (i) Public Health and Safety Promotion Program, (ii) Tourism Awareness Program, and (iii) the Program to Combat Child Exploitation and Human Trafficking, in close coordination with the Gender and Social Development Specialists, Social Safeguards Specialists and the PIU Safeguards Officers;
- (xi) Assist the ITS/TL and the NTDMS with the preparation of training manuals and the implementation of training on the implementation of ASEAN Tourism Standards;
- (xii) In coordination with the ITS/TL, ensure that all project produced awareness and training materials are systematically uploaded to the project supported web-based knowledge center;
- (xiii) Undertake other tourism training-related activities in project areas.

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

18. National Tourism Value Chain Specialist (5 person-months)

37. The National Tourism Value Chain Specialist will lead value chain analysis to support development of tourism-related micro- and small enterprise development interventions in the project supported destinations. In carrying out this task, the consultant will coordinate closely with the PCU, PIUs, ITS/TL, NTTs, National MSE Development Specialists, social safeguards specialists and gender and social development specialists. Specific tasks include:

- (i) Together with the PCU, PIUs and local stakeholders, develop/refine the selection criteria for prioritizing tourism-related supply chains to receive project assistance;
- (ii) Carry out a detailed study and analysis of tourism value and supply-chains in the destinations selected for MSE development support programs, and detailed needs for MSE development support services that may include any or all of the following (i) business planning; (ii) facilitating access to microfinance; (iii) training in business management and marketing; (iv) service/production group formation/strengthening; (v) training of trainers and cascade training in hospitality services; (vi) support for product diversification, quality enhancement, and efficient production techniques; (vii) provision of equipment to improve village-based hospitality services; and (viii) marketing, promotion, and business networking;
- (iii) Based on the analysis, and in close coordination with the PIUs and local stakeholder groups, select tourism-related MSEs with the greatest potential to benefit from project support;
- (iv) In close coordination with the NTTs, design customized training programs for each selected MSE that may include any or all of the MSE development support services available through the project, including: (i) business planning; (ii) facilitating access to microfinance; (iii) training in business management and

- marketing; (iv) service/production group formation/strengthening; (v) training of trainers and cascade training in hospitality services; (vi) support for product diversification, quality enhancement, and efficient production techniques; (vii) provision of equipment to improve village-based hospitality services; and (viii) marketing, promotion, and business networking;
- (v) Provide capacity building to PIUs to carry out implementation of the training programs, with support from the National MSE Development Specialists.

38. Preferred Qualifications and Experience: A university degree and technical experience needed to advise and assist the PIU's plan and carry forth MSE development initiatives under the project, 5 years professional experience and experience with supply and value chain development and/or small business development. Experience with ADB project implementation will be an advantage.

19. National Tourism Micro- and Small-Enterprise Development Specialist (2 positions, 10 person-months each)

39. The National Tourism Micro- and Small-Enterprise Development Specialist will assist the Tourism Value Chain Specialist, PCU, PIUs and local stakeholders with planning tourism-related micro- and small enterprise development interventions in the project supported destinations, and support the PIUs with subsequent implementation of these programs. Specific tasks include:

- (i) Assist with the development of survey tools, data collection, processing and analysis needed to prepare the detailed tourism value chain analysis for products and destinations selected for MSE development support;
- (ii) Be responsible for data collection, processing and analysis are requested by MSE Value Chain Specialist;
- (iii) Participate in the selection of specific tourism-related MSEs with the greatest potential to benefit from project support;
- (vi) Assist the with the preparation customized training programs for each selected MSE programs that may include any or all of the following : (i) business planning; (ii) facilitating access to microfinance; (iii) training in business management and marketing; (iv) service/production group formation/strengthening; (v) training of trainers and cascade training in hospitality services; (vi) support for product diversification, quality enhancement, and efficient production techniques; (vii) provision of equipment to improve village-based hospitality services; and (viii) marketing, promotion, and business networking;
- (iv) Assist the National Tourism Training Specialist with capacity building support to PIUs to carry out implementation of the project-supported training programs;
- (v) Provide ongoing hands-on support and training services to the PIUs during the implementation of the training programs, including the development of training materials, identification of specialist trainers and partner organizations, and collection of data to monitoring the results of the training programs.

40. Preferred Qualifications and Experience: A university degree and relevant technical experience needed to advise and assist the PIU's plan and carry forth the project's MSE development initiatives and 5 years professional experience. Experience with ADB project implementation will be an advantage.

20. National Heritage Specialist (5 person-months)

41. The National Heritage Specialist (NHS) will be responsible for preparing and building the capacity within PCU and PIUs to implement comprehensive heritage interpretation programs at selected cultural and national heritage sites in the project supported

destinations. Specific tasks include:

- (i) Review project documents, and conduct site visits and consult and coordinate with PIUs to confirm culture and heritage sites to be included in the heritage protection, management and interpretation activities;
- (ii) Develop a standardized approach for thematic interpretation of selected sites;
- (iii) Support the PIUs and DMOs with the preparation of culture, nature and historic heritage protection measures such as zoning and associated regulations and comprehensive heritage management plans for selected sites;
- (iv) Design and support the PIUs and DMOs with implementation of heritage awareness campaigns for selected project sites and areas;
- (v) Coordinate with the PIUs and DMOs, and where appropriate with UNESCO, the design and conduct of site specific heritage guide training programs;
- (vi) In close collaboration with PCU and PIUs coordinate the collection and compilation of stories, images and objects related to the sites to be interpreted;
- (vii) Work with the PIUs and DMOs on the preparation of comprehensive heritage interpretation plans for the selected sites that will guide the production of interpretation materials, appropriate enterprise promotion; and related training and capacity building activities;
- (viii) Support implementation of the heritage interpretation plans by advising and contributing to the development of heritage trails, interpretive signage, leaflets, guidebooks and maps, guide training materials and activities, and heritage educational materials for schools, etc.
- (ix) Support the PIUs to prepare manuals for specialized heritage guide training programs for selected sites and act as trainer/resource person during the implementation of heritage guide training programs;
- (x) Provide on the job training on implementation of heritage interpretation plans to PIU staff and key members of DMOs.

42. Preferred Qualifications and Experience: A relevant university degree and technical experience needed to advise and assist the PIUs implement capacity building activities to improve local heritage interpretation practices, 5 years professional experience, preferably working on national cultural and/or natural heritage management projects. Experience with ADB project implementation will be an advantage.

21. National Marketing and Promotion Specialist (5 person-months)

43. The National Marketing and Promotion Specialist (NMPS) will be responsible for preparing and building capacity within Destination Management Organizations (DMO), MCST and PIUs to implement comprehensive tourism marketing and promotion programs. Specific tasks include:

- (i) Together with the PCU and PIUs, prepare detailed plans for the project's marketing and promotion activities;
- (ii) Build capacity within the PCU and PIUs to conduct market research;
- (iii) Support the PCU and PIUs to conduct market research, particularly related to project supported destinations and the multi-country tour circuits along which they are situated;
- (iv) Coordinate with the National Heritage Specialist, PCU, PIUs and other relevant agencies to assist DMOs collect/produce and disseminate print and electronic promotional materials;
- (v) Ensure that marketing and promotion activities incorporate public-private collaboration and are sufficiently resourced in the Destination Management Plans;

- (vi) Support the PCU to facilitate DMOs organization/participation in national, subregional and regional tourism forums and trade events;
- (vii) Support the PCU undertake marketing and promotion of multi-country tour circuits jointly with Cambodia, the Lao PDR and other GMS countries;
- (viii) Support the PCU to facilitate regional marketing and promotional activities such as multi-country familiarization tours for investors, tour operators, and the media;
- (ix) Ensure consistency between destination-level and national marketing and product development efforts (Output 3) and regional initiatives to promote multicountry tours (included in Output 4);
- (x) In coordination with the ITS/TL, ensure that all project produced marketing and promotional materials are systematically uploaded to the project supported web-based knowledge center.

44. Preferred Qualifications and Experience: A relevant university degree and technical experience needed to effectively support the PCU, PIUs and DMOs undertake regional/destination tourism marketing and promotion and 5 years professional experience in tourism marketing and promotion. Experience with ADB project implementation will be an advantage.

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

45. The National Monitoring and Evaluation Specialist (NMES) will support the International Monitoring and Evaluation Specialist (IMES) to establish and build the capacity of PCU, PIU staff to implement the Project Performance Management System (PPMS). Specific tasks include:

- (i) Review all relevant project documents, especially the Design and Monitoring Framework (DMF) and safeguards documents;
- (ii) Assist with verifying baseline data for DMF outcomes and outputs, and specific safeguards indicators as stated in the relevant safeguards plans and confirm data sources;
- (iii) Assist with the preparation of a project baseline report with updated baseline information for indicators identified in the PPMS and safeguards and gender and social development documents;
- (iv) Assist in the preparation of the PPMS, especially by coordinating with the National Project Manager on confirming proposed monitoring and evaluation procedures, tools and implementation arrangements, schedules, and reporting protocols;
- (v) Contribute to preparation of the project's midterm evaluation and the EA's project completion report;
- (vi) Assist the IMES prepare and implement training for PCU and PIU staff to ensure accurate PPMS data collection, analysis and reporting.

46. Preferred Qualifications and Experience: A university degree and technical experience needed to advise and assist the PCU plan and implement project monitoring and evaluation and 5 years professional experience. Experience with working on monitoring and evaluation of ADB or other internationally financed projects will be an advantage.

47. **Reporting requirements.** The Project Management, Civil Engineering and Capacity Building Support Consultant will submit the following deliverables:

- (i) Project Management:
 - a. Five-year project activity plan;
 - b. Annual project activity plans (APP);
 - c. Project performance management system (PPMS);

- (ii) Civil Engineering:
 - a. Detailed design;
 - b. Bidding and contract documentation;
 - c. Operation and maintenance (O&M) plans;
- (iii) Capacity Building:
 - a. Destination management plans (DMP);
 - b. Destination management training materials;
 - c. Heritage management plans (HMP);
 - d. Heritage guide training materials;
 - e. Tourism hospitality training of trainers materials;
 - f. Tourism marketing for DMOs training materials;
 - g. Destination promotional materials;
 - h. Public health and safety promotion materials;
 - i. Tourism awareness materials;
- (iv) Environmental Safeguards:
 - a. Updated initial environmental examination (IEE);
 - b. Updated environmental management plans (EMP);
- (v) Social Safeguards and Social and Gender Development:
 - a. Updated resettlement plans (RP) + Vietnamese language project information booklets;
 - b. English and Vietnamese language communication materials in accordance with communication plan (CP).

48. These deliverables will be produced as a collaborative effort between the PCU, PIUs and consultants (including the consulting firms and individual consultants). The Project Management, Civil Engineering and Capacity Building Support Consultant will be responsible for consolidating the various inputs, editing for consistency and style, formatting and submission to the PCU in final draft form.

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

50. The Consultant will ensure that the: (i) executive summary of each deliverable; and (ii) project communication materials (including the resettlement plan information booklet for each subproject) are translated to the Vietnamese language and are distributed to the concerned provincial, district, and village stakeholders.

C. PACKAGE 2: CONSTRUCTION SUPERVISION SUPPORT

51. This consulting services package will include an estimated 162 national person-months to assist the PCU and PIUs with supervision of civil works. The consultants will be recruited through a firm using the quality- and cost-based selection (QCBS) method with standard quality-cost ration of 80:20. Detailed terms of references for the consultants included in this package are as follows:

1. National Construction Supervision Engineer (9 positions, 15 person-months each)

52. The National Construction Supervision Engineer (NCSE) will, under the overall direction of the National Lead Civil Engineer/Deputy Team Leader (NLCE/DTL), support the PIUs with routine construction supervision for the project's civil works subprojects. Specific tasks include:

- (i) Carry out routine compliance supervision during construction and contribute to regular progress reports to the government and ADB;
- (ii) Verify that construction procedures are followed; attend regular site meetings, reviewing test results, and undertake quality audits;
- (iii) Monitor progress and compliance with the bidding documents;
- (iv) As directed by the NLCE/DTL undertake other specific technical civil engineering inputs where these may be required.

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

54. **Reporting requirements.** The Construction Supervision Support consulting firm will produce the following reports in the English language: (i) an inception report within 2 months of mobilization; (ii) brief monthly progress reports to the PCU and PIU, summarizing progress achieved, difficulties encountered, and issues to be resolved; (iii) quarterly progress reports to each PIU and PCU for consolidation and transmission to ADB, within two weeks of the end of each quarter; and (iv) a final report on completion of consultant inputs to be submitted to the PIUs and PCU for consolidation and transmission to ADB within one month of completion of consultant inputs. The firm will ensure that the executive summary of each report is translated to the Vietnamese language and are distributed to the concerned provincial, district, and village stakeholders.

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

D. INDIVIDUAL CONSULTANTS: FINANCIAL MANAGEMENT & PROCUREMENT SUPPORT AND INDEPENDENT RESETTLEMENT MONITORING

56. Three individual consultants with an estimated total of 19 person-months (3 person-month international and 16 person-months national) will be recruited to (i) assist the PCU and PIUs establish the project's financial management systems, (ii) provide financial management/procurement training, (iii) support start-up activities related to consultant recruitment and first-year procurement and (iv) perform independent monitoring of compliance with the resettlement plans. Individual consultants will be recruited as individuals on the basis of their qualification for the assignment. Detailed terms of references for the individual consultants are as follows:

1. International Financial Management and Procurement Specialist (3 person-months)

57. The International Financial Management and Procurement Specialist will work closely with the PCU and liaise with the ADB to ensure that financial management and

procurement guidelines of the ADB and the government are applied and implemented efficiently and effectively. The consultant will work closely with the PCU Financial Controller to:

- (i) Review, develop and complete the terms of reference (TOR) for audit institution as required by the ADB;
- (ii) Assist the PCU develop suitable accounting systems and chart of accounts to ensure effective and efficient accounting, monitoring and reporting of all financial transactions;
- (iii) Develop a financial management manual for the project;
- (iv) In consultation with the PCU, develop bid evaluation criteria and tender documents for the procurement of goods, works and services in accordance with ADB guidelines;
- (v) Assist the PCU and PIUs establish a system for safekeeping of tender documents, minutes of committee meetings, contracts and financial and audit reports;
- (vi) Assist the PCU with first year procurement, including procurement of PCU and PIU vehicles, office equipment and furniture;
- (vii) On the basis of the financial management needs assessment prepared by the national consultant, carry out a financial management, procurement and disbursement training program for PCU and PIU staff to improve their capability to implement internationally acceptable accounting systems and procedures, internal controls, and financial planning and reporting.

58. Preferred Qualifications and Experience: A post graduate degree in public administration, finance or other relevant field with 10 years relevant work experience and past experience supporting ADB financed procurement of works and goods. The consultant will be a professionally certified accountant with credentials recognized by the Association of Chartered Certified Accountants. Experience with ADB or other internationally financed project implementation in Viet Nam will be an advantage.

2. National Financial Management and Procurement Specialist (4 person-months)

59. The National Financial Management and Procurement Specialist will work under the direction to the International Financial management and Procurement Specialist and provide support to deliver training to PCU and PIU staff during the initial stages of project implementation, and provide intermittent advisory support to the PCU on matters of financial management, procurement, and consultant recruitment throughout the project's implementation period. Specific tasks include:

- (i) Assist in the establishment of suitable accounting systems, chart of accounts, and procurement of accounting software that is acceptable to the ADB and the government
- (ii) Assist with the development of the project's financial management manual and its translation into Vietnamese;
- (iii) Prepare a financial management training needs assessment for the PCU and PIUs, focusing on ability to implement internationally acceptable accounting systems and procedures, internal controls, and financial planning and reporting.
- (iv) Assist the international specialist design and deliver financial management, procurement and disbursement training for PCU and PIU staff.
- (v) Assist with finalizing the documents required to facilitate first year procurement, including PCU and PIU vehicles, office equipment and furniture;
- (vi) Assist in establishing appropriate cost-recovery mechanisms;
- (vii) Assist the PCU prepare monitoring and evaluation reports on financial management and procurement matters for submission to ADB;

- (viii) Provide intermittent advice to the PCU Financial Controller, PCU Chief Accountant, and PIU Chief Accountants on financial management and procurement issues.

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

3. National Independent Resettlement Monitor (12 person-months)

The Independent Resettlement Monitor will verify the ongoing monitoring information on the implementation of resettlement plans (RP), and advise the MCST on safeguard compliance issues, which are considered to have significant involuntary resettlement impacts. Specific tasks include:

- (i) Visit each subproject site with involuntary resettlement impacts when payment of compensation, resettlement, and social assistance programs nears completion to verify internal reports, check the delivery as per the entitlement matrix of the resettlement plan, and review the results of internal monitoring for the purpose of preparing a monitoring report - verification will be assessed through random checking of 10% of affected households at field level to assess whether resettlement and social program objectives have generally been met.
- (ii) Make two further monitoring visits to each subproject involving involuntary resettlement to assess ongoing progress in years 2 and 4 following the award of contracts - these visits will coordinate with the internal monitoring activities of affected persons and involve special attention to monitoring impacts on women, ethnic minority persons, and other vulnerable groups among the affected persons.
- (iii) Involve the affected persons and community groups in assessing the impact of involuntary resettlement through participatory community meetings to identify the strengths and weaknesses of the resettlement plans and implementation strategies.
- (iv) After each monitoring visit, prepare a report for MCST describing (a) whether the involuntary resettlement program has been successfully implemented in accordance with the resettlement plan, (b) any outstanding actions that are required to bring the resettlement activities in line with the resettlement plan and the requirements of ADB's *Safeguard Policy Statement* (2009); (c) further mitigation measures needed to meet the needs of any displaced person or families judged and/or perceiving themselves to be worse off as a result of the project; (d) a timetable and budget requirements for any supplementary mitigation measures for the resettlement plan and the process of compliance monitoring and the final signing off for these displaced persons; (e) assessment of the effectiveness and results achieved of the income restoration program; and (f) any lessons learned that might be useful for future activities;

61. Preferred Qualifications and Experience: A university degree in the social sciences, 5 years professional experience in monitoring and evaluation of involuntary resettlement of internationally financed projects and familiarity with ADB's *Safeguard Policy Statement 2009* (SPS 2009). Experience with resettlement monitoring of ADB financed projects will be an advantage.

62. In addition to the position specific outputs described in the detailed tasks, each individual consultant shall produce and submit to the PCU and Team Leader the following progress reports using agreed templates: (i) an inception report, including a detailed

workplan for the duration of the contract within 0.5 month of mobilization; (ii) brief monthly progress reports to the PCU and Team Leader summarizing progress achieved, difficulties encountered, and issues to be resolved; and (iii) a final report to be submitted within one month of completion of the assignment.

E. EXTERNAL AUDITOR

63. Within the first six months of project effectiveness, the EA, assisted by the Financial Management and Procurement consultants, will prepare the external auditor's detailed terms of reference based on the *Template for Standardized Terms of Reference for External Financial Audit Services of Annual Project Financial Statement* (Annex F). The draft-final TOR will be provided to ADB for review and no-objection prior to recruitment of the auditing firm.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Increased tourism employment for people living in underdeveloped segments of the GMS Corridors.</p>	<p>By 2025: Aggregate direct tourism employment in the 5 project provinces is 130,000; 60% of jobs are held by women. (2012 baseline: 45,000 jobs)¹</p>	<p>WTTC Travel and Tourism Economic Impact Report. MCST Tourism Statistics Report.</p>	<p>Assumptions Underemployment persists in the project areas.</p>
<p>Outcome Increased tourism receipts in Dien Bien, Ha Tinh, Kien Giang, Lao Cai and Tay Ninh.</p>	<p>By 2019: Aggregate annual tourism receipts in the 5 project provinces equals \$480 million. (2012 baseline: \$190 million)</p>	<p>MCST Tourism Statistics Reports. Completion report.</p>	<p>Assumptions Responsible agencies effectively implement destination management plans. Government continues to support policies that facilitate travel, tourism, and regional tourism cooperation.</p> <p>Risks Ineffective financial management undermines infrastructure O&M.</p>
<p>Outputs 1. Last-mile tourism access infrastructure improved.</p>	<p>By 2018: Da Dung Cave 2 km paved access road and tourism amenities constructed and benefiting at least 6,000 residents. Lao Cai Cultural Exchange and Tourist Information Center constructed and servicing at least 40% of provincial visitors. Ta Phin-Ban Khoang 15 km paved access road constructed and benefiting at least 8,400 residents. Muong Phang 19 km paved access road and tourism amenities constructed and benefiting at least 8,200 residents. Dien Bien Phu Cultural Exchange and Tourist Information Center constructed and servicing at least 80% of provincial visitors.</p>	<p>Project progress reports. End of project impact evaluation. Completion report.</p>	<p>Assumptions Men and women have equal access to opportunities, resources, assets, and decision making.</p> <p>Risks Delays in civil works procurement/safeguards implementation.</p>
<p>2. Environmental services in cross-border tourism centers improved.</p>	<p>By 2018: Phu Tu National Tourism Zone 1,000 m³ per day WWTP, 4.2 km access road and drainage covering 5 ha constructed and benefiting at least 3,000 residents. Ba Den Mountain 1,500 m³ per day WWTP, water supply, refuse transfer station and drainage covering 10 ha constructed and benefiting at least 7,500 residents. Huong Tich Pagoda 1,000 m³ per day WWTP, water supply, refuse transfer station, 5 km access road, and drainage covering 5 ha constructed and benefiting at least 7,700 residents.</p>	<p>Project progress reports. End of project impact evaluation. Completion report.</p>	<p>Assumptions Men and women have equal access to opportunities, resources, assets, and decision making.</p> <p>Risks Delays in civil works procurement/safeguards implementation.</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	Nguyen Du Tourism Zone drainage covering 5 ha, public sanitation, and tourism amenities constructed and benefitting at least 2,300 residents.		
3. Institutional capacity to promote inclusive tourism growth strengthened.	<p>By 2019:</p> <p>9 DMOs formed with systems and procedures in place to implement destination management plans. (40% of DMO management positions are held by women).</p> <p>At least 80% of newly constructed vendor space allocated to women.</p> <p>Awareness of heritage protection measures, health and safety, and tourism impacts increases among 6,750 people (50% women).</p> <p>560 micro- small, and medium-sized enterprise operators (60% of whom are women) gain access to professional tourism-related business support services and microfinance.</p> <p>At least 9 service enterprises are operating tourist attractions under a public-private partnership.</p>	<p>Project progress reports.</p> <p>End of project impact evaluation.</p> <p>Completion report.</p>	<p>Assumptions</p> <p>Public and private entities maintain their commitment to improve destination management.</p> <p>Men and women in public and private entities are granted equal opportunities to attend training and seminars.</p> <p>Risks</p> <p>Lower than expected tourist arrivals undermine private sector and community interest in operating tourist attractions.</p>
4. Effective project implementation and management.	<p>By 2019:</p> <p>PCU and PIU staff possess the knowledge, skills, and equipment needed for effective project management (at least 30% of PCU and PIU staff are women).</p> <p>12 new knowledge products published to Viet Nam's web-based tourism knowledge center.</p> <p>20% of tourism enterprises in the 5 project provinces meet ASEAN tourism standards.</p> <p>Collection and reporting of tourism statistics by GMS NTOs in harmonized format.</p> <p>At least 3 joint marketing activities undertaken annually in cooperation with another GMS country (2012 baseline: 1 event).</p> <p>Well-maintained infrastructure in accordance with O&M plans.</p> <p>PCU and PIU staff effectively implement, gender sensitive PPMS with sex-disaggregated data.</p>	<p>Project progress reports.</p> <p>Internet search.</p> <p>GMS TWG Summary of Proceedings.</p> <p>End of project impact evaluation.</p>	<p>Assumptions</p> <p>Suitably qualified men and women are appointed full-time to the PCU and PIUs.</p> <p>Timely recruitment of qualified consultants.</p> <p>Risks</p> <p>Asynchronous implementation of regional activities.</p> <p>PIUs lack of experience with ADB project management procedures.</p>
Activities with Milestones		Inputs	Amount (\$ million)
1. Last-mile tourism access infrastructure improved		ADB (Loan): \$50.00	
1.1 Prepare detailed civil works design and bidding documents by Q4 2015		Item	

Activities with Milestones	Inputs	Amount (\$ million)
1.2 Approval of updated safeguards documents (IEE, EMDP and RP) by Q4 2015	Civil works	34.71
1.3 Complete land acquisition and resettlement by Q4 2015	Equipment	1.11
1.4 Civil works contracts awarded by Q3 2016	Consulting services	2.49
1.5 Civil works completed and equipment supplied by Q4 2017	Capacity building & training	2.84
2. Environmental Services in cross-border tourism centers improved	Recurrent costs	2.43
2.1 Prepare detailed civil works design and bidding documents by Q4 2015	Contingencies	4.33
2.2 Approval of updated safeguards documents (IEE, EMDP and RP) by Q4 2015	Finance Charges	2.09
2.3 Complete land acquisition and resettlement by Q4 2015	Government: \$5.08	
2.4 Civil works contracts awarded by Q3 2016	Item	Amount
2.5 Civil works completed and equipment supplied by Q4 2017	Land and resettlement	1.08
3. Institutional capacity to promote inclusive tourism growth strengthened	Taxes and duties	3.58
3.1 Destination management plans prepared by Q4 2015	Recurrent costs	0.42
3.2 Implement heritage protection and interpretation program, Q2 2015–Q4 2018		
3.3 Implement micro- and small enterprise support program, Q2 2015–Q4 2018		
3.4 Implement health, safety and tourism awareness programs, Q2 2015–Q4 2018		
3.5 Facilitate establishment of public-private partnerships, Q2 2015–Q4 2018		
3.6 Implement national marketing and promotion program, Q2 2015–Q4 2018		
3.7 Implement program to combat child exploitation and human trafficking, Q2 2015–Q4 2018		
4. Effective project implementation and management.		
4.1 Establish project steering committees, PCU and PIUs by Q2 2014		
4.2 Mobilize consultants and procure PCU/PIU equipment by Q2 2015		
4.3 Implement training on financial management by Q2 2015		
4.4 Finalize and train PIU/PCU staff to implement comprehensive sex disaggregated PPMS, including safeguards monitoring, Q2 2015–Q2 2019		
4.5 Establish and maintain web-based knowledge center, Q2 2015–Q2 2019		
4.6 Implement the EMDP, GAP, IEE/EMPs and RPs, Q1 2015–Q2 2019		
4.7 Implement GMS marketing and statistics harmonization programs, Q2 2015–Q2 2019		
4.8 Implement ASEAN tourism standards program, Q2 2015–Q2 2019		
4.9 Approve and implement O&M plans with sustainable finance mechanisms, Q2 2016–Q2 2019		
4.10 Update baseline information and prepare end of project impact evaluation, Q1 2015–Q2 2019		

¹ Based on receipts to job ratio of \$4,368 = 1 job in 2012 and \$8,237 = 1 job in 2019.

ASEAN = Association of Southeast Asian Nations, DMO = destination management organization, GMS = Greater Mekong Subregion, IEE = initial environmental examination, EMDP = ethnic minority development plan, km = kilometer, m³ = cubic meter, MCST = Ministry of Culture, Sports, and Tourism, NTO = National Tourism Organization, O&M = operations and maintenance, PCU = project coordination unit, PIU = project implementation unit, PPMS = project performance management system, Q = quarter, RP = resettlement plan, TWG = Tourism Working Group, WTTC = World Travel and Tourism Council, WWTP = wastewater treatment plan.

Source: ADB staff estimates.

Notes: Baseline year is 2012 and baseline figures zero unless otherwise indicated. Progress reports comprise quarterly, annual, midterm, and the government's completion report. Project progress reports comprise quarterly, annual, midterm, and the government's completion report. Project provinces in Viet Nam are situated in the GMS Southern Coastal Corridor (Kien Giang), GMS Southern Corridor (Tay Ninh) and GMS Eastern Corridor (Ha Tinh, Lao Cai and Dien Bien).

TOR FOR ANNUAL AUDIT OF PROJECT FINANCIAL STATEMENTS
(Template)
Standardized Terms of Reference for
External Financial Audit Services of Annual Project Financial Statements⁴⁰

A. Project Background

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

B. Accounting and Financial Management

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

C. Objective

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

D. Scope of Work⁴¹**D.1. APFSs: Financial Statement to be audited⁴²:**

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

⁴⁰ This template of TOR is appropriate for APFS audit. It should be completed by the borrower, Executing Agency (EA) or Implementing Agency (IA) and provided to ADB for comments before implemented. This template can be applied to the audit of either a revenue-earning or non-revenue-earning project.

⁴¹ The auditor should be sufficiently clear with the scope of the audit to properly define what is expected of the auditor. The EA should not restrict the audit procedures or the techniques the auditor may wish to use to form an opinion. The TOR will not generally have to be customized to a particular audit situation. The list of issues outlined in the TOR is not exhaustive, nor should all matters be addressed in every project. The scope and detail of an audit are likely to be unique for each project.

⁴² The form of the APFS and supporting documentation that will be supplied to the auditor, and on which they are to give an opinion and a report, should be specified. In practice, the form and content of APFS will vary among countries and projects. For instance, the APFS may comprise a Statement of Receipts and Payments only on project transactions. Other schedules may include cumulative work-in-progress, assets and inventories, and summarized bank reconciliation. The estimated time for providing these documents to the auditor should be stated (e.g., one month after financial year-end). This schedule helps the auditee and the auditor plan for the accounts-preparation and the audit process

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

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

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

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

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

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

- a. Annual project financial statements should normally be presented in the local currency, with the basis for conversion of any foreign exchange transactions or commitments explicitly stated.
- b. The annual project financial statements should be presented in the English language and should reflect the operations supported by ADB financing, including ADB-administered funds.
- c. The project expenditures should be presented following the expenditure categories contained in the Loan Agreement and/or the PAM, and revisions thereto.
- d. The annual project financial statements should include comparative figures for the preceding reporting year and cumulative figures from the loan effectiveness date to the end of the current reporting year. For projects that receive funding

- from other sources, the annual project financial statements should include all sources of funds (both ADB-provided and otherwise).
- e. The accompanying Notes to Financial Statements should provide sufficient explanation and information on the financials in narrative form or appropriate supporting schedules, including description of key financial reporting policies.
 - f. For projects where separate and distinct components are being administered by the EA and/or several implementing agencies (IAs) each agency should prepare separate project financial statements reporting on the funds they are administering.
 - g. Financial statements should be prepared in accordance with accrual based financial reporting standards.
 - h. The agreed financial reporting and auditing arrangements will be set forth in the Loan Agreement and detailed in the PAM.

D.2. Specific additional audit opinions:

9. The auditors are engaged to provide an independent and objective opinion on whether the financial statements present a true and fair view, in all material respects, in accordance with the applicable financial reporting framework. The auditors should also form an opinion from the audit evidence obtained, and clearly express that opinion through a written report. The auditor's opinion is necessary to establish the credibility of the project financial statements. The objective of the audit of the annual project financial statements (APFS) is to enable the auditor to provide opinion(s) covering:
 - a. Use of loan proceeds - to confirm whether the borrower or EA has utilized all proceeds of ADB's loan or grant only for purposes of the project;
 - b. Compliance with financial covenants: (Please refer to: Annex 3 attached to this TOR, where applicable) - to confirm or otherwise, that the borrower or EA was in compliance with the financial covenants of the loan or grant agreement.
 - c. Compliance with the imprest fund procedure which includes imprest account(s) and sub-account(s) (where applicable) - to confirm or otherwise, whether the imprest account (and sub-accounts) gives a true and fair view of the receipts collected and payments made and supports imprest and sub-account-liquidations and replenishments during the year.
 - d. Compliance with the Statement of Expenditure (SOE) procedures (where applicable) - to confirm or otherwise, whether adequate supporting documentation has been maintained to support claims to ADB for reimbursement of expenditures incurred and that the expenditures are eligible for financing under the loan or grant agreement.

D.3. Management Letter

10. ADB requires the EA/IAs to provide a copy to provide a copy of the auditor's Management Letter, together with the APFS/AFS. At the minimum, this should include:
 - a. a general overview of the internal control systems of the project and the EA, or an opinion on the management systems;
 - b. an identification of material deficiencies or weaknesses in the project or EA/IAs' internal controls over financial reporting or on the overall system of internal control;
 - c. the auditor's recommendations for improvements or for rectification of identified weaknesses;
 - d. the client's comments on the findings and recommendations; and
 - e. follow-up action/s or status to previously identified issues and findings, if any.
11. In cases where a management letter is not received for the entity as a whole, then a management letter covering internal controls and procedures associated with the preparation of the project financial statements is required and should be submitted together

with the APFS. When significant weaknesses come to attention of the auditor during the course of audit that are not reflected in the audit opinion, they should be reported in a management letter as follows;

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

E. Locations to be Audited:

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

F. Phasing of the Audit:

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

Month of fiscal year (FY) and report submission				
Period	FY start	FY End	Report Submission	Remarks
1				
2				

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

G. Auditing Requirements:

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

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

16. The auditor need also review the following:

- a. ADB financing (and expand to all external financing where ADB is not the only financier) shall be used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided, as detailed in the supporting documents
- b. Counterpart funds shall be provided and used in accordance with the relevant loan agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- c. Goods, works and services financed shall be procured in accordance with the relevant financing agreements including specific provisions of the ADB Procurement Policies and Procedures and relevant laws of Borrower. However, in case there are conflicts between ADB policies and procedures and the Borrower's relevant laws, ADB policies and procedures will prevail. Fixed assets procured by all financiers shall be reviewed;
- d. The expenditures submitted to ADB shall be eligible for financing and all necessary supporting documents, records, and accounts in support of credit withdrawals have been adequately maintained with clear linkages between the books of account and reports presented to ADB;
- e. Funds disbursed through SOEs shall be utilized for the purposed defined in the funding agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor;
- f. Imprest Accounts and sub-accounts, (if used) shall be maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the account were used only for the purpose intended in the Loan Agreement and other supporting documents.

H. Accounting Policies and Changes.

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

I. Compliance with laws, regulations and funding agreements³

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

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

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

J. Responsibility to Consider Fraud in an Audit:

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

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

K. Audit Report

23. The auditor should become familiar with the following documents: Guideline for the financial governance and management of investment projects financed by the Asian Development Bank; and the Loan Disbursement Handbook. The Auditor's reports on the projects financial statements should be prepared in 08 copies (04 in English and 04 in Vietnamese)⁴³ and mentions the following matters:

⁴³ The auditing firm must take note that audited financial statements, audit report and the management letter prepared by the Auditor, should be received by ADB no later than six months after the end of the accounting period (i.e., normally no later than June 30). The Auditor should therefore submit, on a timely basis, audit report, management letter and the relevant documentation to the EAs/IAs to meet this requirement. The

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

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

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

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

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

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

EAs/IAs will be responsible for forwarding two copies of the audited project financial statements, audit report and management letter to the ADB.

M. Services to be Provided to the Auditor:

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

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

N. Auditor Qualification

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

- a. Be a legal entity with business license granted by the competent authority, as requested by Vietnamese law;
- b. Must be impartial and independent from all aspects of management or financial interests in the EA/IA being audited.
- c. Be included in the most updated list of authorized auditing companies and auditors which is approved by Ministry of Finance and published on website: www.mof.gov.vn;
- d. Have adequate staff, with appropriate professional qualifications and suitable experience in finance/financial management in Official Development Assistance (ODA) funded projects or Government projects/ programs, including experience in auditing the Enterprise Financial system (EFS) comparable in nature, size and complexity to the entity whose audit they are to undertake;
- e. Notify and get written endorsement of the EA every time a staff member is substituted; and
- f. Subcontracting of audit services is not permitted.

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

N.1. Audit Director (AD):

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

- a. Keeping lines of communication open with staff and clients.
- b. Ability to manage within budgetary and time constraints while providing a high-level of client satisfaction

- c. Anticipating and addressing client concerns and escalating problems as they arise.
- d. Keeping abreast of latest developments as they affect GAAP and the Firm's standards and policies
- e. Developing an understanding of client's business and becoming a "functional expert" in the area.

Minimum Qualifications/Experience:

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

N.2. Audit Managers (AM)

The Manager will be responsible for:

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

Minimum Qualifications/Experience:

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

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

The Senior Auditors will be responsible for:

- a. Follow the instructions from Director and Engagement Manager;
- b. Keep AD and AM being updated with the key issues or key audit adjustments day to day;

- c. Being responsible for the audit quality of the whole team in front of AM;
- d. Being responsible for the compliance with auditing firm quality standards and procedures and with the requirements of Clients/ Projects.

Minimum Qualifications/Experience:

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

N.4. Auditor:

The Auditors will be responsible for:

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

Minimum Qualifications/Experience:

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

O. Involvement of Technical Experts:

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

P. Reporting Relationships:

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

Q. Contract and Procurement Mode

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

Project Background, Executing and Implementing Agencies

A. The Project to be Audited:

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

B. Project Description:

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

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

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

Financial Management Manual (FMM)

A. General framework for financial management

1. Objective of the FMM:

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

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

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

2. Financial roles and responsibilities of relative agencies/organization

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

B. Project planning and budgeting:

Description of how to develop and control planning and budgeting

Summary responsibilities of involved parties in the project

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

C. Disbursement process:

Based on ADB Disbursement guidelines (Loan Disbursement Handbook).

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

D. Project accounting system reporting and liquidation

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

E. Internal control (IC)

1. IC Objectives:

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

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

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

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

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

- a. **Competent and Reliable Personnel:** The internal control system relies on the people running it. Employees should be adequately trained and properly supervised to enable them to carry out their duties and responsibilities effectively.
- b. **Separation of Functional Responsibilities:** A person should not have complete control of a transaction from beginning to end. There should be clear understanding as to who will approve, what is to be approved and the limitations of authorization. The approving officers should not have responsibility for posting or the ability to change accounting records.
- b. **Assignment of Responsibility for Every Function:** Employee responsibilities should be clearly defined to avoid overlapping or unassigned areas of responsibility (e.g. an organization chart should be prepared). Staff must know their responsibilities and whom they report to.
- c. **Separation of Asset Custodianship and Accounting:** The accounting function should be separated from the custody of assets (e.g. an employee who is entrusted to receive cash should not have access to the cash journals or ledgers).
- d. **Security Measures:** Techniques, procedures and measures should be employed to protect assets and ensure reliable accounting data and reports (e.g. use of mechanical devices such as vaults and cash registers; use of control accounts and subsidiary ledgers).
- e. **Supervision:** Internal regulations should include the supervision of staff. For example, the supervision of the director or manager of a DPMU for example on setting up of annual estimated expenditures, approving of the annual reports, or the supervision of chief accountant to the process of setting, recording of transactions made by assistants, and the preparation of financial statements.
- f. **Regular Independent Review:** Internal auditors should regularly review and evaluate the system of internal controls to determine whether it is functioning effectively as planned (e.g., internal auditors' findings and recommendations should be submitted to senior management for action).
- g. **Control of Transactions:** Every transaction should be authorized, approved, executed and recorded according to prescribed procedures (e.g. staff are not free to procure without the approval of the manager).
- h. **Serially Numbered Documents:** Organization documents should be serially numbered to check completeness of transactions (e.g. checks, invoices and vouchers should be serially numbered).
- i. **Sequencing:** Accounting control system should be set up in such a manner that proper sequencing is followed with regards to payments, posting of transactions to ledgers etc. For example payments should not be authorized or made before the goods or services for which the payment relates to has been received by the project.
- j. **Duration of documentation archiving:** Full documentation of project transactions will be managed and recorded in accordance with existing regulations. The records should be kept for 10 years in good condition to avoid damage and ensure easy access when

needed. Document disposal (if necessary) shall be done with prior approval of competent authority.

4. Content of IC:

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

5. IC system:

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

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

Financial covenants, financial assurances and How to confirm the compliance?

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

A sample for list of required documents

A. General project documents

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

B. Accounting books/records

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

C. Personnel

1. List of all contracted staff and their related recruitment documents, personnel records

2. Documents on PIT, Social Insurance and Health Insurance calculations and monthly declaration and payments

Annex 5

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

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

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

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

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

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

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

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

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

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

BASELINE INFORMATION AND ASSUMPTIONS

A. Introduction

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

Table 1: Key Tourism Indicators

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

IVA = international visitor arrivals

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

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

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

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

Source: GMS National Tourism Organizations

Table 3: Inbound International Aviation Capacity

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

Source: IATA

Table 4: Accommodation Capacity (2012)

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

Source: GMS National Tourism Organizations

Table 5: Contribution of Tourism to GDP

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

Source: World Travel and Tourism Council.

Table 6: Per-capita Tourism Receipts 2012

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

Source: Asian Development Bank and National Tourism Organizations.

Table 7: Distribution of National Tourism Receipts 2012

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

Source: National Tourism Organizations.

B. Impact and Outcome Baseline and Performance Targets

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

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

Table 8: Aggregate Tourism Employment in Project Provinces

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

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

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

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

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

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

Sources: National Tourism Organizations; PPTA estimates.

C. Other Indicators

Table 10: Estimated Use of Roads to be Upgraded

Road Section	length (km)	average daily vehicle-kilometers	
		2012	2018
Lao PDR			
Chom Ong Cave	54	20,189	44,961
Xang Cave	4	1,252	2,930
Ban Xang Hai-Pak Ou	10	-	-
Viet Nam			
Mouang Phang	19	16,974	40,112
Ta Phin-Ban Khoang	15	2,190	2,589

Source: PPTA estimates.