

Project Administration Manual

Project Number: 38560-024

Loan, Grant, and TA Number(s): {LXXXX; GXXXX; TXXXX}

July 2016

Proposed Loan and Administration of Grant and
Technical Assistance Grant for Additional Financing
Kingdom of Cambodia: Second Rural Water Supply
and Sanitation Sector Project

ABBREVIATIONS

ADB	–	Asian Development Bank
CLTS	–	community-led total sanitation
DRHC	–	Department of Rural Health Care
DRWS	–	Department of Rural Water Supply
EARF	–	environmental assessment and review framework
GAP	–	gender action plan
IEE	–	initial environmental examination
JMP	–	Joint Monitoring Programme for Water Supply and Sanitation
LARF	–	land acquisition and resettlement framework
M&E	–	monitoring and evaluation
MIH	–	Ministry of Industry and Handicraft
MOH	–	Ministry of Health
MOP	–	Ministry of Planning
MOWRAM	–	Ministry of Water Resources and Meteorology
MRD	–	Ministry of Rural Development
NGO	–	nongovernment organization
O&M	–	operation and maintenance
PCU	–	project coordination unit
PDRD	–	provincial department of rural development
PPMS	–	project performance management system
RAP	–	resettlement action plan
RWSS	–	rural water supply and sanitation
TSRWSSP	–	Tonle Sap Rural Water Supply and Sanitation Sector Project
UNICEF	–	United Nations Children's Fund
VDC	–	village development committee
WHO	–	World Health Organization
WSUG	–	water and sanitation user group

CONTENTS

	Page
I. PROJECT DESCRIPTION	1
II. IMPLEMENTATION PLANS	7
A. Project Readiness Activities	7
B. Overall Project Implementation Plan	8
III. PROJECT MANAGEMENT ARRANGEMENTS	9
A. Project Implementation Organizations: Roles and Responsibilities	9
Project Coordination Unit	9
B. Key Persons Involved in Implementation	11
C. Project Organization Structure	12
IV. COSTS AND FINANCING	13
A. Cost Estimates Preparation and Revisions	13
B. Key Assumptions	13
C. Detailed Cost Estimates by Expenditure Category for Additional Financing	14
D. Allocation and Withdrawal of Loan/Grant Proceeds	15
E. Detailed Cost Estimates by Financier	16
F. Detailed Cost Estimates by Outputs and/or Components	17
G. Detailed Cost Estimates by Year	18
H. Contract and Disbursement S-Curve	19
I. Fund Flow Diagram	20
V. FINANCIAL MANAGEMENT	21
A. Financial Management Assessment	21
B. Disbursement	21
C. Accounting	22
D. Auditing and Public Disclosure	22
VI. PROCUREMENT AND CONSULTING SERVICES	23
A. Advance Contracting	23
B. Procurement of Goods, Works, and Consulting Services	24
C. Procurement Plan	25
D. Methods, Thresholds, Review and 18-Month Procurement Plan	25
E. Indicative List of Packages Undertaken for the Overall Project	30
F. National Competitive Bidding	33
G. Regulation and Reference Documents	33
H. Procurement Procedures	33
I. Bidding Documents	34
J. Consultant's Terms of Reference for Extension under Additional Financing	34
VII. SAFEGUARDS	35
VIII. GENDER AND SOCIAL DIMENSIONS	40
A. Poverty Impact and Social Inclusion	40
B. Gender and Development	41
IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION	44
A. Project Design and Monitoring Framework	44
B. Monitoring	48

C.	Evaluation	52
D.	Reporting	52
E.	Stakeholder Communication Strategy	53
X.	ANTICORRUPTION POLICY	57
XI.	ACCOUNTABILITY MECHANISM	57
XII.	RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL	57

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 the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The executing and implementing agencies are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by executing and implementing agencies 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 and grant agreements. 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 and grant agreements, the provisions of the loan and grant agreements 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.

I. PROJECT DESCRIPTION

1. **Project Rationale:** Cambodia is predominantly rural, with more than 77% of the total population living in rural areas. A focus on rural development, infrastructure, and delivery of basic services is the first step in accelerating poverty reduction, reducing regional inequalities, and supporting inclusive growth. Rural residents spend considerable time and financial resources acquiring their daily drinking water from distant water sources, rainwater collection, or having it delivered to their homes. In 2014, access to improved water in rural areas was 51.1 percent, and to improved sanitation, only 46.2 percent.¹ The type of water supply and sanitation facilities available to households are important determinants of health.² An intensified focus on RWSS can help improve health and accelerate poverty reduction, especially around the Tonle Sap Basin, where most of Cambodia's poorest live.³ An integrated approach to RWSS can also contribute to gender equity and livelihood improvements.

2. **The Original Project.** On 15 September 2009, the Asian Development Bank (ADB) approved a grant equivalent to \$21 million for the Second Rural Water Supply and Sanitation Sector Project.⁴ The outcome of the project is improved access to water supply for about 377,000 rural residents and sanitation for about 290,000 rural residents in an estimated 400 villages in 40 communes in 16 districts of 6 provinces. The Project covers 100% of villages in each commune and aims to achieve 100% water supply and at least 80% physical sanitation coverage in each commune. It is a sector investment project with 5 outputs: (i) improved community health and hygiene practices; (ii) rehabilitated, upgraded, and developed water facilities; (iii) improved public and household sanitation; (iv) strengthened sector planning and development; and (v) improved capacity for project implementation. The main components of the project are summarized as follows:

- (i) The water supply component includes (i) new and rehabilitation of shallow, medium, and deep wells; (ii) provision of rainwater jars where necessary; (iii) provision of household water filters; (iv) rehabilitation of community ponds; and (v) small water supply systems. Choice of solution depends on local conditions, availability of groundwater and is tailored to suit those needs.⁵
- (ii) The sanitation component includes sanitation awareness, health and hygiene training, and sanitation marketing.⁶ The project offers a hybrid model that supports poorest households through a subsidy, whilst the remaining households are being encouraged to build their own.
- (iii) Capacity building and training have been a major component of the project from national down to village level, particularly centered on rural water supply, sanitation, and health (WASH) training, and sanitation awareness and marketing.

¹ Ministry of Planning. 2015. *Cambodia Socio-Economic Survey 2014*. Phnom Penh.

² Diarrhea is a major cause of child morbidity and mortality, which can be reduced through safe and clean water and proper hygienic and sanitation practices.

³ ADB. 2014. *Cambodia Country Poverty Analysis 2014*. Manila

⁴ ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Asian Development Fund Grant to the Royal Kingdom of Cambodia for the Second Rural Water and Sanitation Sector Project*. Manila

⁵ Some locations have little or no groundwater in the dry season and some have high arsenic levels.

⁶ Since basic Community-Led-Total-Sanitation (CLTS) and sanitation marketing predominantly favor the better-off households, a hybrid CLTS methodology with a sanitation subsidy is provided to the poorest households as a catalyst to increase sanitation coverage more rapidly. Through peer pressure and encouragement, households ineligible for a subsidy have started to build their own. For eligible poor households, a sanitation subsidy of about \$71 is given for the pour-flush latrine sub-structure only (90% grant and 10% in-kind contribution). The superstructure is built in all cases by the household. An average of about 65% of households in this area receives a sanitation subsidy.

3. **Current status and progress in implementation.** The Project is performing well and rated 'on track'. As of 25 April 2016, cumulative contract awards amounted to \$21 million (99%), and cumulative disbursements to \$21 million (99%). A cumulative extension of 12 months was approved by ADB to (i) allow for completion of latrine building works, and (ii) process additional financing. The performance of the experienced executing agency, the Ministry of Rural Development (MRD), implementing agencies, and consultants has been consistently satisfactory. Targets for contract awards and disbursements were annually met, despite the large number of contracts managed (1,792 contracts, including 1,672 using community procurement).⁷ MRD has substantially complied with covenants under the project, including (i) subproject selection procedures, criteria and targeting; (ii) operations and maintenance; (iii) approval of the Rural Water Supply, Sanitation, and Hygiene Strategy,⁸ and water and sanitation user groups guidelines. The only significant area requiring attention is the establishment and implementation of a regular water quality monitoring program, which is currently being addressed following MRD's recent work with the World Health Organization (WHO).

4. **Achievements to date and opportunity for expansion.** The Project has successfully completed assistance to 32 communes in four batches, covering 364 villages in 6 provinces⁹ around the Tonle Sap Basin. The Project has benefited an estimated population of about 338,200 through improved water facilities.¹⁰ The project has also provided sanitation grants to 45,677 households for latrine construction (about 208,500 beneficiaries), and encouraged a further 4,219 households to finance their own latrine, increasing average sanitation coverage to about 80% or about 270,500 people.¹¹ While the project covered less communes, it achieved 90% of its rural water supply target and around 90% of its rural sanitation target. The Project (categorized as Gender Equity) has also significantly contributed to strengthening women's roles in local government and project related committees, including all trainings (mostly exceeding the 40% target). In partnership with other donors, the Project has also assessed means to enhance climate change resilience for rural water infrastructure, including low-cost bottled water and treatment and reuse of household latrine waste. Building on the Project's success, there is opportunity to expand access to improved rural water supply and sanitation to an additional 275 villages in 28 communes in the same six provinces.¹²

5. **Modification and cost increase.** The Project suffered a marginal over expenditure of 10% under output 2. This was due to the inability to rehabilitate some wells for production of water during the dry season (mainly due to climate change and the resulting depletion of groundwater), which required new water supplies in place of rehabilitation. In addition, a total of \$500,000 was reallocated for emergency well rehabilitation in 2012, following the severe 2011 Cambodia flooding. Other civil works components substantially met budget allocations. Design and implementation issues have been fully and satisfactorily addressed through continuous improvements, based on feedback from the communities and ADB review missions.

⁷ Summary of Progress Against Grant Covenants (accessible from the list of linked documents in Appendix 2).

⁸ MRD. 2011. National Strategy for Rural Water Supply, Sanitation and Hygiene 2011-2025. Phnom Penh.

⁹ Banteay Meanchey, Battambang, Kampong Chhnang, Kampong Thom, Pursat, and Siem Reap.

¹⁰ Facilities include rehabilitation of (i) 1324 drill wells, 325 hand dug wells, 365 combined wells and 53 community ponds; and development of (ii) 985 new drill wells, 6 combined wells, 75,330 rainwater jars, 1,130 bio-sand and ceramic water filters, 24 piped water supply systems, 99 river water distribution points and 28 production wells.

¹¹ Summary of Existing Project Implementation (accessible from the list of linked documents in Appendix 2).

¹² Proposed scope for additional financing (accessible from the list of linked documents in Appendix 2).

6. **Lessons Learned.** The following lessons learned are incorporated in designs:
- (i) **Gender development** – although the gender initiatives have successfully increased the engagement of women in all aspects of the project and all targets for the involvement of women have been met, cultural norms still prevail with women letting the men make the majority of decisions. Under the additional financing more emphasis will be placed on strengthening the role of women as decision-makers.
 - (ii) **Beneficiary contributions** – In some locations where new community managed piped water supply systems were installed, the cost of new water supply system was greater than expected, due to lower groundwater levels. This increased cost also increased the cost of the beneficiary contribution, and some poorer households struggled to pay the additional cost. At village level, the community helped to shoulder the additional cost and reduce the burden on the poor. For future such systems, the government will put a cap on the beneficiary contribution to avoid unexpected additional burden on poor households.
 - (iii) **Climate change** – Experience over the duration of the project to date indicates that climate change is having an increasing impact on rural areas resulting in the groundwater depletion (reducing groundwater levels) and an increasing number of non-producing wells. The incidence of more severe flooding and longer dry periods producing drought, is also apparent and thus climate change adaptation and mitigation, married with disaster risk management, will be introduced to the project.

7. **Impact and Outcome.** The impact of the overall project has been aligned to the objectives of the government's National Strategy for Rural Water Supply, Sanitation and Hygiene (footnote 7) and is defined as 'increased access to sustainable improved (rural) water supply services and improved (rural) sanitation in Cambodia'. The outcome of the overall project remains 'increased access to improved RWSS in selected communes of six provinces in the Tonle Sap Basin'. The total number of rural residents with access to improved water will increase from about 377,000 to 578,500 and the number of rural residents with access to improved sanitation will increase from about 290,000 to 462,800. Additional financing will build and expand existing Project outputs as (i) improved community health and hygiene practices; (ii) rehabilitated, upgraded, and developed water facilities; (iii) improved public and household sanitation; (iv) strengthened sector planning and development; and (v) improved capacity for project implementation.

8. **Output 1 (Improved community health and hygiene practices)** will remain unchanged and will be delivered through (i) increased community mobilization and action in 275 additional villages, (ii) preparation additional village water supply and sanitation plans for 28 communes, (iii) formation and training of 2,200 additional WSUGs, (iv) strengthened community groups and individuals for effective delivery of health and hygiene messages, as well as climate and disaster risk messages, and (v) improved household management of RWSS.

9. The Project will promote community participation and ownership in technology choice, planning, and implementation of improved village RWSS facilities and in better household water management and hygiene education. It will focus on improving a community's understanding of the importance of improved health outcomes brought about by water supply, sanitation, and hygiene through the community led total sanitation-hybrid approach. Rural residents will be equipped with the tools necessary to change their own behavior. Individuals considered champions or natural leaders by their peers will be identified and trained as lead facilitators for

peer-to-peer behavior-change efforts in safe water use, improved sanitation, and proper hygiene. The Project will support women's participation and their role as the main users and managers of water in households. At least 50% of all lead facilitators will be women.

10. The Project will help water and sanitation user group plan and develop RWSS facilities. Group members will receive training in O&M and repair. At least 40% of all board members, and 50% of those trained in O&M, will be women. A user-friendly approach will be used, which takes into account gender issues and cultures and languages of ethnic groups. Provincial department of rural development project teams in each participating province will partner with the TA Consultants in implementing this output. Existing hygiene education materials will be used, and links to the activities of other organizations will be established.

11. The Project will integrate elements of CLTS in the overall village engagement process to focus on RWSS and hygiene. The Project will work with WSUGs, villages, communes, schools, and other social groups to communicate information on RWSS. Behavior-change efforts will focus on (i) safe water management at the source, during transport, and in the household; and (ii) stopping open defecation, encouraging proper use and maintenance of household latrines, and promoting personal hygiene practices (e.g., hand washing and clean bodies). The Project will support latrine construction through the established community procurement model. It builds on the "learning by seeing" effect and allows households to build latrines in stages.

12. **Output 2 (Rehabilitated, upgraded, and developed new water facilities)** will deliver the following additional targets: (i) rehabilitation and/or upgrading of existing water supply points and development of new water supply points to provide universal safe water supply coverage for 275 villages (2,200 water supply points); (ii) new rainwater collection systems and storage tanks for at least 140 public facilities, including schools and health facilities; and (iii) improved monitoring of water quality for all water facilities, including the development of a national water quality monitoring program. New construction will be based on the cost-sharing principles already adopted and implemented under the current project.¹³

13. The Project will support the (i) rehabilitation and construction of deep drilled wells; (ii) upgrading, rehabilitation, and construction of hand-dug wells; (iii) construction of combined wells, where a drilled well is constructed inside a hand-dug well to improve access of the well to aquifers; (iv) rehabilitation (desilting), upgrading, and construction of existing ponds where water will be filtered prior to human consumption (together with household filters); and (v) rainwater collection through rainwater tanks schools and health facilities. Small community-based piped water supply systems for less than 250 households will be considered on a case-by-case basis.

14. New drilled wells will be based on communities' knowledge of sufficient quantity and quality of water sources, but actual site selection for deep well construction will be based on hydrogeological testing. The costs of groundwater testing will be included in the drilling contract, as all contractors have the equipment and ability to drill up to 100 meters. In more difficult areas, the Project will support initial groundwater testing for wells 100–200 meters deep; this will be limited to one site per commune. A least-cost analysis will be part of the subproject feasibility report, which will help determine the most appropriate water supply technology to be supported by the Project and will help reduce the number of negative wells.

¹³ The Project will provide financing for 90% of the total cost for new water and sanitation facilities, and beneficiaries will contribute the remaining 10% (3% in cash and 7% in kind). Beneficiary contributions will not be collected from those households opting to rehabilitate or upgrade existing wells.

15. Abandoned, existing drilled wells will be considered for rehabilitation by repairing the well or replacing the pump (or parts of it). When shallow groundwater of acceptable quality is available, new hand-dug wells with manual suction pumps may be constructed. To qualify as improved water sources, these dug wells must be lined and covered to avoid contamination. Existing dug wells may be rehabilitated by lining the well, covering the well, fitting a hand pump, draining the area around the well, or a combination of these measures. Rehabilitation and upgrading of existing facilities will be limited to 30% of the cost of a new facility.

16. The Project will support one 16 parameter water quality test and three annual six parameter water quality tests for all water facilities. It also will support improvements in well-drilling technology as a means of improving drilling efficiency, well quality, and the incidence of successful wells. During the construction of deep drilled wells, the six parameter test will be conducted. If the water is found to be unsuitable, the well will not be developed further.

17. **Output 3 (Improved public and household sanitation)** will be expanded to provide (i) construction of public latrines at schools and health facilities at a rate of five per commune (140 supplementary blocks), and (ii) provision of subsidy for household latrine construction (additional 34,500). Public latrines will follow the following cost-sharing principles: 90% project, and 10% government contribution in cash.

18. The Project will support the construction and improvement of latrines in public areas to help strengthen hygiene awareness and behavioral change. Each commune will be able to prioritize public latrine facilities (four latrines at each facility) in five locations (schools or health facilities). Public latrines will be constructed for men and women to respond to the privacy needs of women (i.e., one-latrine block with two urinals for men and a two-latrine block for women), plus a latrine for disabled use with easy access ramp and larger dimensions. Prior to construction, the PDRD will sign an O&M agreement with the WSUG board (or the relevant school or health committee). The agreement will outline the terms and conditions of the arrangement, cost-sharing principles, agreement to carry out hygiene and awareness campaigns, and detailed plans for continuous O&M.

19. The Project has already promoted informed choice of sanitation facilities, with a standard pour-flush latrine being the preferred standard for long-term use in households. Dry-pit latrines were rejected by the communities. Each household with a sanitation grant of about \$75 (equivalent to the current cost of providing the substructure of a standard improved pour-flush latrine with a 4-ring concrete pit with concrete cover and ceramic pan, as developed through consultation with communities and using a local production model). Beneficiaries will be responsible for the remaining cost in kind for digging the pit and construction of the superstructure.

20. **Output 4 (Strengthened sector planning and development)** will continue to provide (i) improved monitoring and supervision of RWSS facilities by maintaining and upgrading the RWSS database used under the Project in six provinces, (ii) support to the water and sanitation (WATSAN) sectoral working group coordination meetings, (iii) strengthened private sector involvement in RWSS development through training in technical and management fields, and (iv) improved RWSS monitoring and evaluation (M&E) for health outcomes.

21. The Project will continue to support small entrepreneurs for local manufacturing of precast concrete components, particularly pit and well rings, toilet slabs, and jumbo rainwater jars. It will assist in establishing a small contractor base at the commune level for the construction of protected dug wells and rainwater storage tanks, extending the knowledge of polyvinyl chloride suction-pump technology, and developing capacity with commune-based

mechanics to support WSUGs in their responsibility for the repair and maintenance of hand pumps. It will also support well-drilling contractors, as needed, in the form of on-the-job training for improved well-drilling technology to increase overall success rates and efficiency. Although registered contractors with MRD (a total of 50) have priority to participate in this training, PDRD technical staff and new contractors that are willing to register will be encouraged to attend.

22. The Project consultants will prepare baseline surveys, midterm evaluation, and final evaluation to help measure the project outcome and outputs. This will include reviewing and improving the PPMS for the additional financing, and provide training to M&E officers within MRD, PDRDs, and commune councils for more effective data collection and monitoring. The consultants will employ a randomized sample survey in the project communes, and will include control groups to help determine the impact of RWSS on health outcomes.

23. In addition, additional financing will finance training for climate change adaptation and mitigation and develop disaster risk management plans for RWSS at national, provincial and local levels.

24. **Output 5 (Improved capacity for project implementation and sustainability)** will be delivered through (i) project orientation workshops at the national and subnational levels; and (ii) a capacity development program for MRD, PDRDs, district offices of rural development, commune councils, RWSS committees,¹⁴ and WSUGs. National and subnational project orientation workshops will be conducted to inform key stakeholders about the project design and eligibility of communes to participate in the Project. Capacity development will focus on improving project implementation practices, including social and gender awareness training, planning and budgeting, and accounting and bookkeeping. The Project will involve WSUGs and RWSS committee members to help strengthen their capacity in water and sanitation service management and delivery.

¹⁴ RWSS committees are established at the village level, comprising of one representative for rural water supply and one person for sanitation from each WSUG.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Indicative Activities	2016						2017	Responsible Party
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Advance contracting actions	X	X	X	X	X	X	X	
Retroactive financing actions								Not envisaged under the loan.
Establish project implementation arrangements	X							MRD/PCU. Already in place
ADB Board approval			X					ADB
Loan signing				X				ADB and MRD/MEF
Government legal opinion provided					X			MRD and MEF
Government budget inclusion					X			MRD and MEF
Loan effectiveness						X		ADB and MRD/MEF

ADB = Asian Development Bank, MEF = Ministry of Economy and Finance, MRD = Ministry of Rural Development, PCU = project coordination unit.

B. Overall Project Implementation Plan

Activities	2017 (Qtr)				2018 (Qtr)				2019 (Qtr)				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
A. DMF													
1. Improved Community Health and Hygiene Practices	[Black bar]												
2. Rehabilitated, Upgraded, and Developed New Water Facilities	[Black bar]												
Batch 5 – 9 communes (batches 1 to 4 completed)		[Olive bar]											
Batch 6 – 12 communes			[Olive bar]										
Batch 7 – 7 communes				[Olive bar]									
3. Improved Public and Household Sanitation	[Black bar]												
Batch 5 – 9 communes (batches 1 to 4 completed)		[Olive bar]											
Batch 6 – 12 communes			[Olive bar]										
Batch 7 – 7 communes				[Olive bar]									
4. Strengthened Sector Planning and Development	[Black bar]												
5. Improved Capacity for Project Implementation	[Black bar]												
B. Technical Assistance	[Black bar]												
C. Grant for Sanitation	[Black bar]												
B. Management Activities													
Procurement plan key activities to procure contract packages	[Black bar]												
Consultant selection procedures (not applicable)													
Environment management plan key activities	[Black bar]												
Gender action plan key activities	[Black bar]												
Communication strategy key activities	[Black bar]												
Annual and/or midterm review													
Project completion report													

DMF = design and monitoring framework, mth = month, qtr = quarter.

Source: Asian Development Bank

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency	Ministry of Rural Development
Project specific management body	<p>Existing project coordination unit (PCU) for current project under the Department of Rural Water Supply (DRWS)</p> <p>The PCU will be responsible for the following: (i) project management; (ii) coordinating with other agencies and relevant projects; (iii) procurement; (iv) contract supervision; (v) project monitoring; (vi) project reporting; (vii) supervision of training activities; (viii) managing of workshops; (ix) supervision of Loan Consultants; (x) financial management of Project; (xi) supervision of PITs; (xii) communication with all stakeholders.</p>
Project steering committee	<p>The Ministry of Rural Development (MRD) will be responsible for overall implementation of the Second Rural Supply Water and Sanitation Sector Project (the Project), taking charge of physical implementation and financial disbursement. A secretary of state of MRD will chair a project steering committee (PSC) comprising, as permanent members, Rural Water Supply, Rural Health Care, Community Development, Training, Planning, and Administration and Staff (responsible for gender), Ministry of Economy and Finance and 6 PDRD Directors. PSC shall meet every 3 months to coordinate Project activities. The current PSC, originally established under the Tonle Sap Rural Water Supply and Sanitation Sector Project (TSRWSSP), will continue to be the PSC and will have the following tasks:</p> <ul style="list-style-type: none"> (i) ensure the timely implementation of the policy and institutional reforms included in the Project; (ii) report to the Government on progress in project implementation and sector reforms; (iii) validate the general orientation, objectives and procedures of the Project and the planning of intervention in the six participating provinces; (iv) ensure effective coordination among the different departments of MRD and with other ministries, participating provinces, and development partners working in the RWSS sector; and (v) approve and supervise the plans and activities of the project coordination unit (PCU) and the PDRD Project Teams.
Implementing agencies (6 No.)	<p>Project Coordination Unit</p> <p>The PCU (formerly the project management unit for the TSRWSSP) has been established at the Department of Rural Water Supply (DRWS) of MRD in Phnom Penh. It will be located in the DRWS compound. As for TSRWSSP, the DRWS Director will assume the responsibilities of Project Director in addition to his routine responsibilities. A full-time Project Manager will be responsible for day-to-day operations. The Project Manager will be supported by other full time members of staff with appropriate technical qualifications including an environmentalist and a resettlement officer.</p>

	<p>The PCU will be increased in number of staff to provide adequate DRHC representation for the increase Project responsibilities in the areas of sanitation, hygiene awareness and behavioral change. The staff change for positions of Project Director and Project Manager will require the prior endorsement of ADB.</p> <p>The PCU will be responsible, through the Project Director, to MRD for overall Project planning, and for coordination with other national agencies, international agencies as appropriate, and with ADB. The PCU will also be responsible for (i) the monitoring of social safeguard issues including gender and indigenous people; (ii) the management of environmental issues; (iii) the management of land acquisition and resettlement issues; (iv) the setting of standards for technical design, construction and quality control; and (v) aggregation of information from the six participating provinces and production of the prescribed progress and milestone reports. More specifically, the PCU will:</p> <ul style="list-style-type: none"> (i) ensure that the Project is implemented in accordance with rural water supply and sanitation (RWSS) policy and Project principles; (ii) propose general orientation, planning, and procedures for the Project; (iii) allocate funds according to provincial needs and plans; (iv) provide technical and management support to the six PDRDs; (v) participate in procurement committees in the provinces when the value of the contract package is higher than \$50,000; (vi) supervise, facilitate, and expedite Project implementation; (vii) help the MRD national and provincial departments introduce in their operations prioritization for rural water supply and sanitation improvements; (viii) review and implement the project performance monitoring system; (ix) undertake the awareness campaign on water use, sanitation and hygiene education is delivered in accordance with the Project Capacity Development Plan; (x) together with the MRD gender working group, review and implement the project's gender action plan for RWSS; (xi) report to the Project steering committee and to ADB; (xii) coordinate and supervise land acquisition and resettlement issues, and environmental activities as outlined in the land acquisition and resettlement framework (LARF) and the environmental assessment and review framework (EARF); and (xiii) facilitate approval of subproject resettlement action plans (RAPs) and initial environmental examinations (if any), as part of subproject feasibility reports. <p>The PCU will operate an imprest account, and will be supported by the existing Project Consulting Team (PCT). The PCU will also coordinate and manage the conduct of the subproject feasibility reports (SPFRs) and will forward parts of these to relevant agencies for approval, as required by the Government. The name change from Project Management Unit, under TSRWSSP, to Project Coordination Unit reflects the role of the PCU as Project coordinator and planner.</p>
<p>ADB</p>	<ul style="list-style-type: none"> • Review and approve procurement and disbursement documents. • Conduct semi-annual reviews to assess: (i) overall project

	<p>implementation; (ii) land acquisition and resettlement; (iii) environmental management; (iv) project expenditures, disbursements, and counterpart funding; (v) procurement and contract awards; (vi) compliance with the loan covenants; and (vii) likelihood of attaining the project's outputs and outcome.</p> <ul style="list-style-type: none"> • Regularly update the project performance review reports with the assistance of executing agencies. • Ensure the compliance of financial audits recommendations. • Regularly post on ADB web the updated project information documents for public disclosure, and also the safeguards documents as per disclosure provision of the ADB safeguards policy statement. • Conduct a mid-term review to (i) assess need to restructure or reformulate the project, (ii) update the project's design and monitoring framework, and (iii) examine the need to extend the loan closing date. • Conduct a project completion mission to (i) evaluate the overall performance of project implementation, and (ii) assess whether the project has achieved the outcome anticipated at appraisal.
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ADB = Asian Development Bank, PDRD = Provincial Department of Rural Development.

Source: Asian Development Bank

B. Key Persons Involved in Implementation

Executing Agency

Agency Name

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 Cambodia

Asian Development Bank

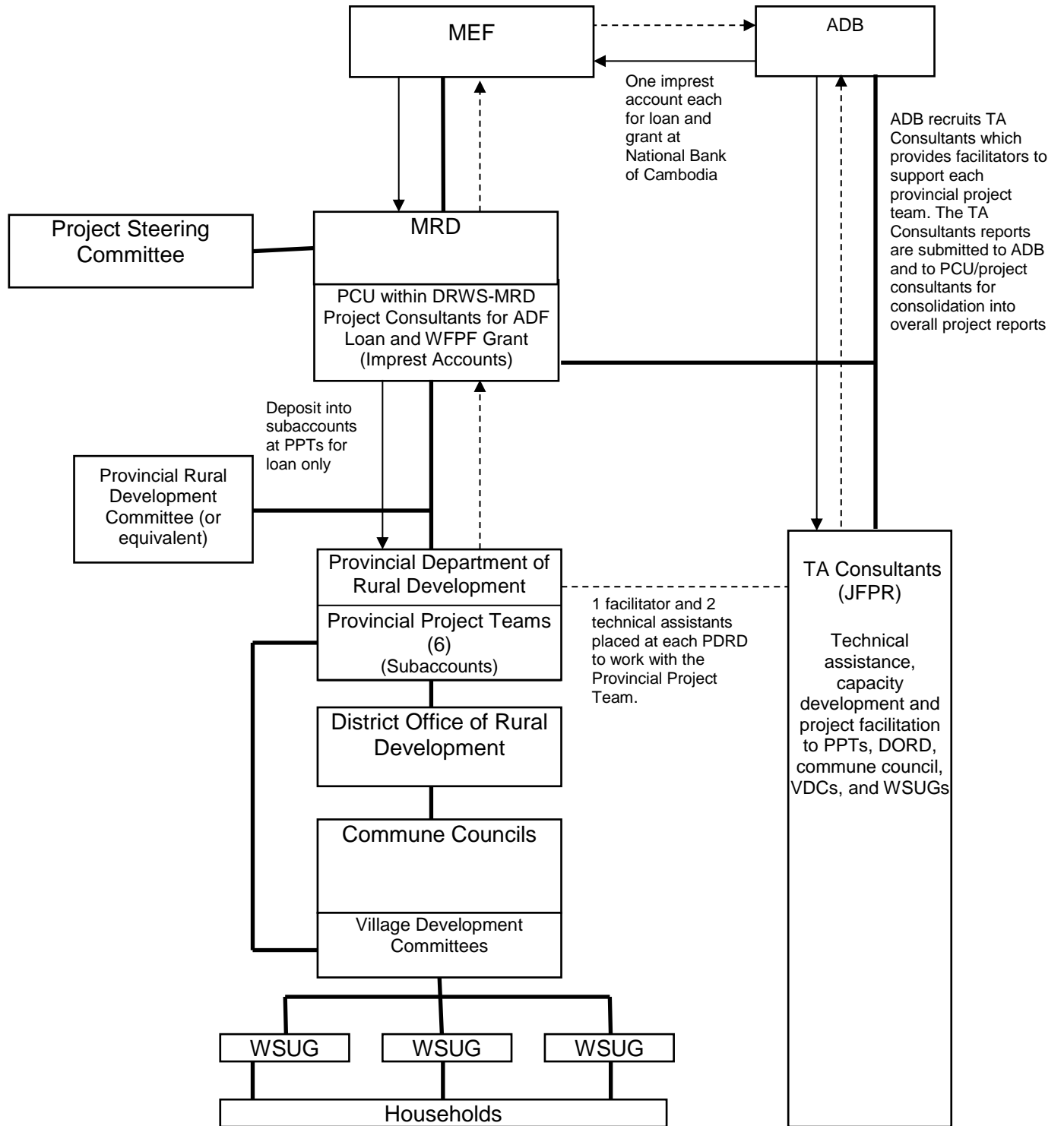
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C. Project Organization Structure



IV. COSTS AND FINANCING

25. The Government has requested a loan in various currencies equivalent to \$15.0 million from ADB's Special Funds resources to help finance the Project. The loan will have a 32-year term, including a grace period of 8 years, an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter, and such other terms and conditions set forth in the draft loan agreement.

26. The Sanitation Financing Partnership Trust Fund under ADB's Water Financing Partnership Facility (WFPF) will provide a \$1.5 million grant, to be administered by the Government. The Government of Japan will provide a CDTA amounting to \$2.0 million, from the Japan Fund for Poverty Reduction, which will be administered by ADB (piggy-backed to the loan).

A. Cost Estimates Preparation and Revisions

27. Cost estimates were prepared by ADB, derived from actual costs recorded for the main activities under the ongoing project (Grant 0156-CAM). During the project new cost estimates will be prepared by the consultants for each activity and by individual contract during the preparation of the sub-project feasibility reports, which will be prepared in three implementation batches, in accordance with the overall project implementation schedule.

B. Key Assumptions

28. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: = KHR 4,063 = \$1.00 (as of 22 May 2016).
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 4.1: Escalation Rates for Price Contingency Calculation

Item	2016	2017	2018	Average
Foreign rate of price inflation	1.5%	1.4%	1.5%	1.5%
Domestic rate of price inflation	2.5%	3.0%	3.5%	3.0%

Source: ADB Statistical Database System

- (iii) Beneficiary contributions were calculated at 10% of civil works. With the higher contributions in the on-going Project, the government will put a cap on the beneficiary contributions to avoid unexpected additional burden on poor households. This cap will be determined during the subproject feasibility stage when cost estimates are established and beneficiary contributions are agreed. This is applicable for small piped-water supply systems and deep wells only.
- (iv) The Government will finance the supplementary salary of government staff working for the project and taxes and duties, except taxes and duties under recurrent costs and training.

C. Detailed Cost Estimates by Expenditure Category for Additional Financing

Table 4.2: Detailed Cost Estimates by Expenditure Category

		Local Currency (KHR billion)	USD Million ^a	% of Total Base Costs
A. Investment Costs				
1	Civil Works	56.43	13.89	80.2%
2	Equipment	1.02	0.25	1.4%
3	Project Management	7.38	1.82	10.5%
4	Training	4.52	1.11	6.4%
	Subtotal (A)	69.34	17.07	98.5%
B. Recurrent Costs				
1	Office Accommodation	0.81	0.20	1.2%
2	Incremental operating costs	0.22	0.06	0.3%
	Subtotal (B)	1.04	0.26	1.5%
	Total Base Costs	70.37	17.32	100.0%
C. Contingencies		9.66	2.38	13.7%
D. Financing Charges During Implementation		0.95	0.23	1.4%
	Total Project Cost (A+B+C+D)	80.98	19.93	115.1%

An average exchange rate of KHR 4063 = \$1 has been used.

a Includes taxes and duties of \$ 1.66 Million

b Base costs are in December 2015 prices;

c Physical contingencies computed at 5%. Price contingencies are estimated at 1.5% (2016), 1.4% (2017) and 1.5% (2018 onwards) for foreign exchange costs and 2.7% (2016) and 3.5% (2017 onwards) for local currency costs

d Includes interest during construction for ADB loan.

Note: "Figure may not add due to rounding."

D. Allocation and Withdrawal of Loan/Grant Proceeds

Table 4.3: Allocation and Withdrawal of Loan Proceeds

LOAN CATEGORY			
Amount Allocated for ADB Financing (USD Million)			
No	Items	Total Amount Allocated for ADB Financing	Percentage and Basis for Withdrawal from the Loan
1	Civil Works	10.55	100% of total expenditure claimed *
2	Equipment	0.22	
3	Project Management	1.55	
4	Training	0.60	100% of total expenditure claimed
5	Recurrent Costs	0.06	100% of total expenditure claimed
6	Financing Charges During Implementation	0.23	
7	Unallocated Costs	1.79	
		15.00	

* Exclusive of taxes and duties imposed within the territory of the Borrower.

Table 4.4: Allocation and Withdrawal of Grant Proceeds

GRANT CATEGORY			
Amount Allocated for ADB Financing (USD Million)			
No	Items	Total Amount Allocated for ADB Financing	Percentage and Basis for Withdrawal from the Loan
1	Civil Works	0.82	100% of total expenditure claimed *
2	Project Management	0.10	
3	Training	0.41	100% of total expenditure claimed
4	Unallocated Costs	0.17	100% of total expenditure claimed
		1.50	

* Exclusive of taxes and duties imposed within the territory of the Borrower.

E. Detailed Cost Estimates by Financier

Table 4.5 Detailed Cost Estimates by Financier
in \$ (million)

	ADB (ADF) LOAN		WFPF GRANT		Beneficiaries		GOVERNMENT			TOTAL AMOUNT	
	Amount	Financing % of Cost Category	Amount	Financing % of Cost Category	Amount	Financing % of Cost Category	Amount	Taxes	Total		Financing % of Cost Category
A. Investment Costs											
1 Civil Works	10.55	76%	0.82	6%	1.17	8%	-	1.35	1.35	10%	13.89
2 Equipment	0.22	89%	-	-	-	-	-	0.03	0.03	11%	0.25
3 Project Management	1.55	86%	0.10	5%	-	-	-	0.16	0.16	9%	1.81
4 Capacity Development	0.60	54%	0.41	37%	-	-	-	0.10	0.10	9%	1.11
Subtotal (A)	12.92		1.33		1.17		-	1.64	1.64		17.07
B. Recurrent Costs											
1 Office Accommodation	-	0%	-	-	-	-	0.18	0.02	0.20	100%	0.20
2 Equipment Operation and Maintenance	0.06	100%	-	-	-	-	-	-	-	-	0.06
Subtotal (B)	0.06						0.18	0.02	0.20	78%	0.26
Total Base Costs	12.98		1.33	8%	1.17	7%	0.18	1.66	1.84	11%	17.32
C. Contingencies	1.79		0.17	7%	0.16	7%	0.26	-	0.26	11%	2.38
D. Financing Charges During Implementation	0.23						-	-	-		0.23
Total Project Cost (A+B+C+D)	15.00	75%	1.50	8%	1.34	7%	0.44	1.66	2.10	11%	19.93
% Total Project Cost		75%		8%		7%				11%	100%

Note: "Figure may not add due to rounding."

F. Detailed Cost Estimates by Outputs and/or Components

Table 4.6: Detailed Cost Estimates by Outputs and/or Components

	GRAND TOTAL	Output 1 Amount	% of Cost Category	Output 2 Amount	% of Cost Category	Output 3 Amount	% of Cost Category	Output 4 Amount	% of Cost Category	Output 5 Amount	% of Cost Category
A. Investment Costs											
1 Civil Works	13.89	-	0.0%	9.35	67.3%	4.54	32.7%	-	0.0%	-	0.0%
2 Equipment	0.25	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.25	100.0%
3 Consultants	1.82	0.14	7.9%	1.12	61.8%	0.54	30.0%	0.003	0.2%	0.00	0.2%
4 Training	1.11	-	0.0%	-	0.0%	0.45	40.3%	-	0.0%	0.66	59.7%
Subtotal (A)	17.07	0.14	0.8%	10.47	61.4%	5.53	32.4%	0.003	0.0%	0.92	5.4%
B. Recurrent Costs											
1 Office Accommodation	0.20	-	0.0%	0.1	50.0%	0.1	50.0%	-	0.0%	-	0.0%
2 Equipment Operation and Maintenance	0.06	-	0.0%	0.0275	50.0%	0.0275	50.0%	-	0.0%	-	0.0%
Subtotal (B)	0.26	-	0.0%	0.13	50.0%	0.13	50.0%	-	0.0%	-	0.0%
Total Base Costs	17.32	0.14	0.8%	10.60	61.2%	5.66	32.7%	0.003	0.0%	0.92	5.3%
C. Contingencies	2.38	0.02	0.8%	1.45	61.2%	0.78	32.7%	0.000	0.0%	0.13	5.3%
D. Financing Charges During Implementation	0.23	0.01	2.2%	0.14	61.5%	0.07	31.4%	0.001	0.2%	0.01	4.7%
Total Project Cost (A+B+C+D)	19.93	0.17	0.8%	12.20	61.2%	6.51	32.6%	0.004	0.0%	1.05	5.3%

Note: "Figure may not add due to rounding."

G. Detailed Cost Estimates by Year**Table 4.7: Detailed Cost Estimates by Year**
(\$ million)

	GRAND TOTAL	Year 1	Year 2	Year 3
A. Investment Costs				
1 Civil Works	13.89	3.82	7.61	2.46
2 Equipment	0.25	0.10	0.10	0.05
3 Consultants	1.82	0.67	0.67	0.48
4 Training	1.11	0.40	0.40	0.31
Subtotal (A)	17.07	4.98	8.78	3.30
B. Recurrent Costs				
1 Office Accommodation	0.20	0.07	0.07	0.05
2 Equipment Operation and Maintenance	0.06	0.02	0.02	0.01
Subtotal (B)	0.26	0.09	0.09	0.07
Total Base Costs	17.32	5.08	8.87	3.37
C. Contingencies	2.38	0.53	1.27	0.58
D. Financing Charges During Implementation	0.23	0.02	0.08	0.13
Total Project Cost (A+B+C+D)	19.93	5.63	10.22	4.08

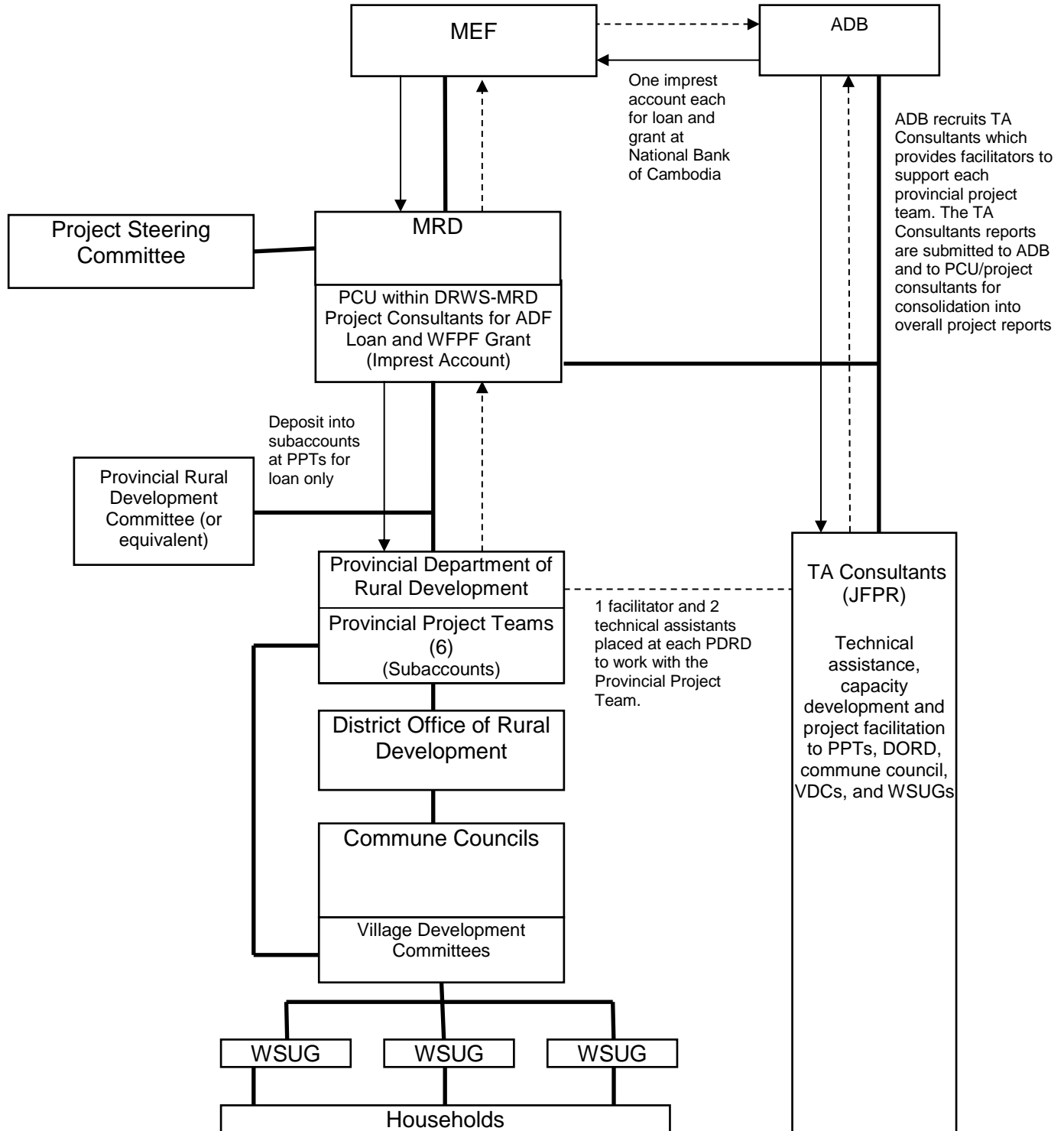
Source: ADB estimates

H. Contract and Disbursement S-Curve

16. The table shows quarterly contract awards and disbursement projections over the life of the project. The S-curve is only for ADB financing and ADB-administered cofinancing, which will be recorded in ADB's systems and reported through e-Ops. Counterpart funds and any other cofinancing should be excluded. The projection for contract awards should include contingencies and unallocated amounts, but excludes front-end fees, service charges, and interest during construction. The total projected disbursements are equal to the full loan and grant amount, covering up to four months after loan and grant closing.

Contract Awards					
Year	Q1	Q2	Q3	Q4	Total
2017	2.000000	1.000000	2.000000	2.000000	7.000000
2018	3.000000	3.000000	2.000000	0.000000	8.000000
2019	0.000000	0.000000	0.000000	0.000000	0.000000
2020	0.000000	0.000000	0.000000	0.000000	0.000000
Disbursements					
Year	Q1	Q2	Q3	Q4	Total
2017	0.300000	0.200000	0.400000	0.300000	1.200000
2018	0.600000	0.800000	1.600000	1.700000	4.700000
2019	1.800000	1.700000	1.800000	1.800000	7.100000
2020	1.000000	1.000000	0.000000	0.000000	2.000000

I. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

29. The performance of the EA during the original project demonstrated its capacity to properly oversee funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. In the past, slower than expected disbursements was experienced due to delays in replenishing the imprest account. This was addressed by increasing the imprest account ceiling and providing capacity development to improve the quality of replenishment requests. Based on the experience since 2009, possible financial management risks are the turnover of experienced EA staff and possible complications arising from new multiple funding sources under additional financing.

B. Disbursement

1. Disbursement Arrangements for ADB and ADB-administered cofinancier Funds

30. The ADF loan and WFPF grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time), and detailed arrangements agreed upon between the government and ADB. The JFPR TA grant will be disbursed in accordance with ADB's TA Disbursement Handbook. Online training for project staff on disbursement policies and procedures is available.¹⁵ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

31. **Imprest fund procedure.** The government will establish two new imprest accounts at the National Bank of Cambodia, one for the loan and one for the WFPF grant. Six new subaccounts will be established at a commercial bank at provincial level, to the satisfaction of ADB. The imprest accounts are to be used exclusively for ADB's share of eligible expenses. The government 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.

32. The total outstanding advance to the imprest accounts should not exceed the estimate of ADB's share of expenditures to be paid through the imprest accounts for the forthcoming 6 months. The executing agency may request for initial and additional advances to the imprest accounts based on an Estimate of Expenditure Sheet¹⁶ setting out the estimated expenditures to be financed through the accounts for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the executing agency in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time) when liquidating or replenishing the imprest accounts.

33. The provincial subaccounts are to be used exclusively for ADB's and/or ADB-administered cofinancier funds share of eligible expenditures. The borrower and the executing agency should ensure that every liquidation and replenishment of each sub-account is supported by sufficient documentation in accordance with ADB's *Loan Disbursement Handbook*

¹⁵ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning.

¹⁶ ADB. 2015. *Loan Disbursement Handbook*. 10B.

(2015, as amended from time to time).

34. The request for initial and additional advances to the imprest account should be accompanied by an Estimate of Expenditure Sheet setting out the estimated expenditures for the forthcoming 6 months of project implementation. For every liquidation and replenishment request of the imprest account, the borrower will furnish to ADB (a) Statement of Account (Bank Statement) where the imprest account is maintained, and (b) the Imprest Account Reconciliation Statement reconciling the above mentioned bank statement against the EA's records.¹⁷

35. **Statement of expenditure procedure.**¹⁸ The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the imprest account(s). Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

36. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is set in accordance with the Loan Disbursement Handbook. Individual payments below this amount should be paid (i) by the executing agency and subsequently claimed to ADB through reimbursement, or (ii) through the imprest fund procedure, unless otherwise accepted by ADB.

2. Disbursement Arrangements for Counterpart Fund

37. The PCU under MRD will be responsible for (i) preparing annual disbursement projections for both ADB and government sources, and (ii) requesting budgetary allocations for counterpart funds. The government will finance local taxes and duties under the project, as part of its government contributions, in-kind and in cash. However, it will not finance taxes and duties under the recurrent costs and training, which should be financed from the loan.

C. Accounting

38. The MRD will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project. The EA will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

39. The MRD will cause the detailed consolidated annual project financial statement to be audited in accordance with International Standards on Auditing, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditors' opinion will be submitted in the English language to ADB within six months of the end of the fiscal year by the MRD.

¹⁷ Follow the format provided in Appendix 10C of the *Loan Disbursement Handbook*.

¹⁸ SOE forms are available in Appendix 9B and 9C of ADB's *Loan Disbursement Handbook* (2015, as amended from time to time).

40. The audit report for the annual financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan and grant were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

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

42. The government, the MRD and implementing agencies have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹⁹ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

43. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.²⁰ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.²¹

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

44. All advance contracting will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid under advance contracting will be subject to ADB approval. The borrower, the MRD, and implementing agencies have been advised that approval of advance contracting does not commit ADB to finance the project.

¹⁹ ADB's approach and procedures regarding delayed submission of audited project financial statements:

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

²⁰ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

²¹ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

45. **Advance contracting.** A firm was recruited under Grant 0156-CAM following competitive processes (QCBS procedure) and its performance has been satisfactory throughout the duration of the services. It is proposed that services be extended under the new loan and grant using a contract variation. Draft terms of reference will be prepared by MRD and agreed by ADB, for the loan and WFPF grant. An additional consultancy package for TA implementation will be necessary. Recruitment will be undertaken by ADB under advance action after SRM.

46. Draft subproject feasibility studies for Batch 5 communes (first batch of additional financing) have been completed, which identify the subprojects to be procured using standard designs and specification, no detailed design is required. NCB packages identified will likely be for well-drilling and public latrines. Specifications for vehicles and IT equipment have been drafted and procurement of equipment under Shopping and NCB procedures may commence after the ADB staff review meeting. Draft bidding documents for NCB civil works have been prepared and submitted to ADB for review against the most recent ADB standard bidding documents, to allow procurement to commence.

B. Procurement of Goods, Works, and Consulting Services

47. All procurement of goods and works will be undertaken in accordance with the government's Standard Operating Procedures (updated May 2012) and ADB's Procurement Guidelines (2015, as amended from time to time).

48. National competitive bidding (NCB), Shopping and Community Procurement will be used for civil works and goods. NCB will apply to contracts estimated to cost \$100,000 until \$3,000,000, and Goods contracts valued at \$100,000 until \$1,000,000. Shopping will be used for contracts for procurement of works and equipment worth less than \$100,000. Community participation in procurement will be used for contracts below \$30,000.

49. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

50. All consultants and nongovernment organizations (NGOs), if appropriate, will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).²² The terms of reference for all consulting services are detailed in Section D.

51. As indicated in para. 45, single source selection through a contract variation to the existing contract will be used for the engagement of consultants under the additional financing. The tasks to be delivered by the consultants are a natural continuation of previous work carried out by the firm, which was previously selected using competitive processes. Continuity for downstream work is essential to the project and in particular, continuity in the technical approach, experience acquired, and professional liability. The list of key consulting services features and estimated person-months needed to (i) facilitate project management and implementation, and (ii) strengthen the institutional and operational capacity of the executing agency are detailed in the Consultant's Terms of Reference.

²² Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

C. Procurement Plan

52. This procurement plan builds on the procurement plan of Grant 0156-CAM and has been updated to include only the additional financing projects.

Basic Data

Project Name: Additional Financing for the Second Rural Water Supply and Sanitation Sector Project	
Project Number:	Approval Number: 0156 and additional financing
Country: CAMBODIA	Executing Agency: Ministry of Rural Development
Project Procurement Classification: B	Implementing Agency: Provincial Departments of Rural Development
Procurement Risk: Low	
Project Financing Amount: \$16,500,000 ADB Financing: \$15,000,000 Grant cofinancing: \$1,500,000	Project Closing Date: 30 June 2020
Date of First Procurement Plan 14 August 2009 (original under Grant 0156-CAM)	Date of this Procurement Plan: 29 July 2016 (For Additional Financing only)

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

1. Procurement and Consulting Methods and Thresholds

53. 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
National Competitive Bidding (NCB) for Works	Between \$100,000 and \$3,000,000
National Competitive Bidding (NCB) for Goods	Between \$100,000 and \$1,000,000
Shopping for Works	Below \$100,000
Shopping for Goods	Below \$100,000
Community Participation in Procurement (CPP)	Below \$30,000

2. ADB Prior or Post Review

54. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the Project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
NCB Works	Prior/Post	Prior review applies to the procurement of the first NCB contract by the project coordination unit. If the first contract is procured satisfactorily, thereafter, post-review.
NCB Goods	Post	
Shopping for Works	Post Sampling	
Shopping for Goods	Post Sampling	
Community Participation in Procurement	Post Sampling	
Recruitment of Consulting Firms		
Single-Source Selection	Prior	Contract variation to existing RWSSP2 consultant contract
Quality- and Cost-Based Selection (QCBS)	Prior	QCBS selection based on 80:20 quality/cost weighting. Applied in accordance with ADB's <i>Guidelines On The Use of Consultants By Asian Development Bank and Its Borrowers</i> (2015, as amended from time to time)

Procurement Method	Prior or Post	Comments
Recruitment of Individual Consultants		
Individual Consultants	Prior	Applied in accordance with Section 2.34 of the <i>Guidelines On The Use of Consultants By Asian Development Bank and Its Borrowers</i> (2015, as amended from time to time)

3. Goods and Works Contracts Estimated to Cost More Than \$1 Million under the Additional Financing

55. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months (from July 2016 to December 2017).

Package Number	General Description	Estimated Value	Procurement Method	Review Prior/Post/Sampling	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None							

4. Consulting Services Contracts Estimated to Cost \$100,000 or More under the Additional Financing

56. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months from July 2016 to December 2017).

Package Number	General Description	Estimated Value	Recruitment Method	Review Prior/Post	Advertisement Date (quarter/year)	Type of Proposal	Comments
CS1	EGIS International	\$2,100,000	Through contract variation		N/A	N/A	187 person-months (41 international and 146 national) Plus Inputs for the proposed WFPF grant (to be determined for contract variation before SRM)

5. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts) under the Additional Financing

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 (June 2016 to December 2017).

Package Number	General Description	Estimated Value	Procurement Method	Review Prior/Post/Sampling	Bidding Procedure	Advertisement Date (quarter/year)	Comments
NCB 1-15	Well drilling, well rehabilitation, and community ponds – Batch 5	\$2.111 M	NCB	Prior/Post	1S1E	Q3 2016	
NCB 16-30	Well drilling, well rehabilitation, and community ponds –	\$2.319 M	NCB	Post	1S1E	Q2 2017	

	Batch 6						
NCB 31-42	Well drilling, well rehabilitation, and community ponds – Batch 7	\$1.470 M	NCB	Post	1S1E	Q3 2017	
SCW 1-10	Communal water supply facilities - Small piped water supply and river water treatment – Batch 5	\$0.458 M	Shopping	Sampling	1S1E	Q3 2016	
SCW 11-21	Communal water supply facilities - Small piped water supply and river water treatment – Batch 6	\$0.504 M	Shopping	Sampling	1S1E	Q2 2017	
SCW 22-28	Communal water supply facilities - Small piped water supply and river water treatment – Batch 7	\$0.321 M	Shopping	Sampling	1S1E	Q3 2017	
SHW 1-10	Household water supply facilities – Batch 5	\$0.458 M	Shopping	Sampling	1S1E	Q3 2016	
SHW 11-21	Household water supply facilities – Batch 6	\$0.504 M	Shopping	Sampling	1S1E	Q2 2017	
SHW 22-28	Household water supply – Batch 7	\$0.321 M	Shopping	Sampling	1S1E	Q3 2017	
SPL 1-10	Public	\$0.458 M	Shopping	Sampling	1S1E	Q3 2016	

	latrines and water tanks - Batch 5						
SPL 11-21	Public latrines and water tanks - Batch 6	\$0.504 M	Shopping	Sampling	1S1E	Q2 2017	
SPL 22-28	Public latrines and water tanks - Batch 7	\$0.321 M	Shopping	Sampling	1S1E	Q3 2017	
CPP 1-200	Household latrines and rainwater jars - Batch 5	\$1.070 M	CPP	Sampling	1S1E	Q3 2016	
CPP 201-420	Household latrines and rainwater jars - Batch 6	\$1.177 M	CPP	Sampling	1S1E	Q2 2017	
CPP 421-550	Household latrines and rainwater jars - Batch 7	\$0.803 M	CPP	Sampling	1S1E	Q3 2017	
GS 1-6	Latrines for lake-based communities	\$0.350	Shopping	Sampling	1S1E	Q2 2017	
GS 7-18	Latrine emptying, treatment, and disposal	\$0.550	Shopping	Sampling	1S1E	Q2 2017	
V1	4WD Pick-up (2)	\$0.080 M	Shopping	Post	1S1E	Q1 2017	
V2	Motorcycles (65)	\$0.130 M	NCB	Post	1S1E	Q1 2017	
E1	Computers and printers	\$0.030 M	Shopping	Post	1S1E	Q1 2017	

E. Indicative List of Packages Undertaken for the Overall Project

57. The following table provides an indicative list of all procurement (goods, works, and consulting services) over the life of the Project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Goods					
4WD Pick-up (2)	\$0.080 M	1	Shopping		
Motorcycles (65)	\$0.130 M	1	NCB		
Computers and printers	\$0.030 M	1	Shopping		
Works					
Well drilling, well rehabilitation, and community ponds	\$5,000,000	42	NCB		
Communal water supply facilities – small piped water supply and river water treatment	\$1,300,000	28	Shopping		
Household Water Supply Facilities	\$1,300,000	28	Shopping		
Public latrines and water tanks	\$1,250,000	28	Shopping		
Household latrines and rainwater jars	\$2,950,000	550	CPP		
Latrines for lake-based communities	\$350,000	6	Shopping		WFPF grant
Latrine emptying, treatment, and disposal	\$550,000	12	Shopping		WFPF grant
Consulting Services					
EGIS International	\$2,100,000	1	Contract variation for the additional financing	N/A	187 person-months (41 international and 146 national) Plus Inputs for the proposed WFPF grant (to be determined before SRM)

CD = community development, CPP = community participation in procurement, M&E = monitoring and evaluation, NCB = national competitive bidding, NGO = nongovernment organization, PDRD = provincial department of rural development, QBS = quality-based selection, QCBS = quality- and cost-based selection, RWSS = rural water supply and sanitation.

^a Includes rehabilitation, upgrading, and construction of communal ponds, dug wells, combined wells, and rainwater tanks at public buildings.

^b Small contracts for household water facilities will be let by village committees (average 34 household systems at \$114)

A. 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 On-going Contracts

Not applicable.

2. Completed Contracts

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Goods					
Telephone, Fax, Internet, Computers (3), Printer, Photocopier	\$29,841	4	Shopping		Completed
Audiovisual Equipment, Generator	\$15,000	6	Shopping		Completed
Four-Door, Four-Wheel-Drive Pickup Truck (BMC PPT)	\$22,500	1	Shopping		Completed
Four-Door, Four-Wheel-Drive Pickup Truck (PCU)	\$87,000	3	Shopping		Completed
Four-Door, Four-Wheel-Drive Pickup Truck (5 PPTs)	\$150,000	5	NCB		Completed
54 Motorcycles	\$76,950	1	Shopping		Completed
10 Motorcycles	\$11,000	1	Shopping		Completed
Molds for Pit and Well Rings	\$16,000	80	Shopping		Cancelled
Hand Tools for Small Operators at Communes	\$8,000	80	Shopping		Cancelled
Works					
Well Drilling and Rehabilitation	\$6,401,800	58	NCB		Original plan 12 packaged scheduled. But since the contract packages prepared according to number of subprojects and different types of works, there are 58 packages for 32 communes.
Communal Water Supply Facilities ^a	\$771,800	25	Shopping		
Household Water Supply Facilities ^b	\$2,617,200	580	Shopping		The original plan estimated 400 packages; Household water filter requirements will be higher than original plan, and therefore it is estimated 580 packages.
Household Latrines	\$3,360,900	780	CPP		The original plan estimated 1,200 packages; however, as the number of target communes/ villages are reduced, and it is estimated about 780 packages.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Toilets at Public Building	\$684,400	40	Shopping		The original plan estimated 40 packages for 40 communes; however, as target communes are reduced to 32, and therefore number of package estimated about 25.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
Consulting Services					
EGIS International	\$2,163,332	1	QCBS (80:20)	Full	404.5 person-months (68.6 international and 336 national) 20 Dec 2011
Peace and Development Aid Organization (PDAO)	\$752,223	1	QBS	Biodata	756 national person-months 1 Mar 2011
ALMATAS Consulting Private Ltd	\$219,850	1	FBS	Simplified	24 person-months (6 international and 18 national) 1 Feb 2011
RWSS Engineers and Community Development Facilitators	\$504,000	12	Individual consultant	Biodata	Originally it was estimated for RWSS: 240 national person-months and CD: 288 person-months; as per the project requirements, it was rescheduled 120 person-months for RWSS and 180 person-months for CD Specialists. 1 Feb 2012

CD = community development, CPP = community participation in procurement, M&E = monitoring and evaluation, NCB = national competitive bidding, NGO = nongovernment organization, PDRD = provincial department of rural development, QBS = quality-based selection, QCBS = quality- and cost-based selection, RWSS = rural water supply and sanitation.

^a Includes rehabilitation, upgrading, and construction of communal ponds, dug wells, combined wells, and rainwater tanks at public buildings.

^b Small contracts for household water facilities will be let by village committees (average 34 household systems at \$114)

F. National Competitive Bidding

G. Regulation and Reference Documents

58. The procedures to be followed for national competitive bidding shall be those set forth for the “National Competitive Bidding” method in the Government’s Procurement Manual issued under Sub-Decree Number 74 ANKR.BK, updated version dated 22 May 2012 with the clarifications and modifications described in the following paragraphs. These clarifications and modifications are required for compliance with the provisions of the Procurement Guidelines.

59. For the procurement of ADB financed contracts under National Competitive Bidding (NCB) procedures, the use of harmonized national bidding documents (NCB and National Shopping) developed in consultation with development partners including ADB, is mandatory except where the Government and ADB have agreed to amendments to any part of the documents. The Procurement Manual also advises users to check the ADB website from time to time for any update on ADB documents, which form the basis, among others, of the existing harmonized national bidding documents.

H. Procurement Procedures

1. Application

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

2. Sanctioning

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

3. Rejection of all Bids and Rebidding

62. The Borrower shall not reject all bids and solicit new bids without ADB’s prior concurrence. Even when only one or a few bids is/are submitted, the bidding process may still be considered valid if the bid was satisfactorily advertised and prices are reasonable in comparison to market values.

4. Advertising

63. Bidding of NCB contracts shall be advertised on the ADB website via the posting of the Procurement Plan. Borrowers have the option of requesting ADB to post specific notices in the ADB website.

I. Bidding Documents

1. Use of Bidding Documents

64. The Standard National Competitive Bidding Documents provided with the Government's Procurement Manual shall be used to the extent possible both for the master bidding documents and the contract-specific bidding documents. The English language version of the procurement documents shall be submitted for ADB review and approval in accordance with agreed review procedures (post and prior review) as indicated in the Procurement Plan. The ADB-approved procurement documents will then be used as a model for all procurement financed by ADB for the project.

2. Bid Evaluation

65. Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

66. 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.

3. Employer's Right to Accept or Reject Any or All Bids

67. The decision of the Employer to accept or reject any or all bids shall be made in a transparent manner and involve an obligation to inform of the grounds for the decision through the bid evaluation report.

4. ADB Policy Clauses

68. A provision shall be included in all NCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

69. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that the Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.

70. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices or any integrity violation in competing for, or in executing, ADB-financed contract.

J. Consultant's Terms of Reference for Extension under Additional Financing

71. To be processed as a contract variation to the existing consulting firm's contract. Therefore the TOR are not required in this section.

VII. SAFEGUARDS

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

73. **Environment.** The original Project was categorized as environment category "B." A Summary IEE (SIEE) and EMP, including an Environmental Assessment and Review Framework (EARF), were prepared in 2009 in accordance with ADB's Environment Policy (2002), Environmental Assessment Guidelines (2003), and the Government's environmental requirements. All subprojects supported under the original project were screened and categorized in accordance with the EARF and classified as "C" for environment. The overall project including additional financing remains category B for environment. The EARF has been updated to conform to ADB' Safeguard Policy Statement (2009)²³ and to address some of the weaknesses in adhering to compliance procedures that were identified during due diligence activities.²⁴ The updated EARF will guide the preparation and approval procedures for environmental assessments of the subprojects under the additional financing. It defines institutional responsibilities and includes a screening checklist to determine the safeguard categorization for each subproject.²⁵ Key additional requirements that have been incorporated into the updated EARF relate to improved consultations; grievance redress mechanism; biodiversity and protected area screening and management; climate risks screening; improved environmental monitoring; and safeguard training provisions. Safeguard monitoring reports shall be submitted to ADB in the schedule specified in the EARF and upon approval, posted on the ADB website.

74. Civil works financed under the additional financing will be limited to small-scale community-based RWSS equipment and facilities. The environmental impacts associated with the installation of facilities will be minimal and temporary (including noise, dust and community health and safety related to minor excavation and drilling works); highly localized and site-specific, and can be easily mitigated with simple good construction practices commonly known to contractors. All RWSS facilities to be supported under the additional financing will be installed within boundaries of existing villages, and will directly contribute to the Tonle Sap Biosphere Reserve's development function to foster sustainable development of ecology, environment, economy, society, and culture.²⁶ No subproject will support activities that could result in loss of biodiversity or impact on critical or protected habitats within the Tonle Sap Biosphere Reserve. This will be confirmed through (i) environmental safeguard screening to be conducted during feasibility study of subprojects using screening checklist defined in the updated EARF and submitted to ADB for review and approval; and (ii) supporting safeguards appraisal site visits by ADB, as needed, of sites that may encroach on critical or protected habitats as per SPS definition (SPS appendix 1, para. 24-30).

²³ ADB. 2009. *Safeguard Policy Statement*. Manila.

²⁴ Updated *Environmental Assessment and Review Framework (EARF)* (accessible from the list of linked documents in Appendix 2).

²⁵ The ten sub-projects identified as first batch of the additional financing are expected to be confirmed as "C" for environment.

²⁶ The Tonlé Sap Biosphere Reserve was established by royal Decree in 2001. The reserve has three functions: (a) a conservation function to contribute to the protection of biological diversity, landscapes, and ecosystem; (b) a development function to foster sustainable development of ecology, environment, economy, society, and culture; and (c) a logistic function to provide support for demonstration projects, environmental education and training, research and monitoring.

75. The project consultants (PC) will provide technical support to the PCU at the EA level and the PPTs at the IA (provincial) level to: (i) ensure that safeguard screening and periodic project reviews are carried out in accordance with the updated EARF; (ii) coordinate the reporting activities of the PCU/PPTs, (iii) monitor and coordinate project related procurement to ensure compliance with safeguard requirements; (iv) prepare and implement training programs for the PCU/PPTs; and (v) prepare IEE(s) including EMPs for subprojects, as needed, and support PCU implementation of EMPs, including conducting and documenting consultations and Grievance Redress Mechanism. The EA/IAs will oversee the implementation of the subprojects and will have overall responsibility for compliance with the EARF and EMPs.

76. The PCU/PPTs will be responsible for “on-ground” implementation of compliance with the updated EARF, including the mitigation measures in the EMP. The PCU/PPTs will likewise ensure that approved EMPs (in the case of category B subprojects) or the generic EMP included in the EARF (in case of category C subprojects) are incorporated in the bid documents and construction contracts. The PCU will commission additional analysis, undertake environment-related investigations that may be required during implementation (especially when an IEE is required), and respond to environment or nuisance-related complaints from residents or businesses affected by the project works through the Grievance Redress Mechanism.

77. The EA/PCU, with the assistance of project consultants, will ensure the conduct of the required environmental monitoring as specified in the subproject EMP. The subproject EMPs will be updated by the PC as may be necessary.

78. The PPTs shall perform periodic inspection of construction areas, and review the environmental monitoring that is conducted by the contractor/village/commune pursuant to the environmental monitoring plan of the EMP. Environmental issues requiring management intervention will be reported to the PCU.

79. The PCU, in coordination with the PC, is responsible for designing, implementing, and documenting a Grievance and Redress Mechanism for environmental, safety, and social concerns. The mechanism shall be communicated during consultations and made available to affected people. Grievances shall be recorded and addressed in a timely manner. The WSUG will act as the community-based monitoring group in each village.

80. Specifically, the environment safeguard tasks of the PCU/PPTs are as follows:

- a. Update the *generic* EMP defined in the EARD as may be necessary and appropriate.
- b. Ensure that the approved EMPs (in the case of category B subprojects) or the generic EMP defined in the EARF (in case of category C subprojects) are included in the bidding documents (instruction to bidders), and in the evaluation criteria for awarding contracts.
- c. Oversee the implementation of the EMP especially relating to construction phase activities, including handling of construction spoil and waste, public nuisance impacts (noise, dust, traffic, blocked areas, workers and camps), and public safety.

81. The PCU, in coordination with the PC, is responsible for Safeguards compliance monitoring as well as any construction supervision group to be engaged. Compliance inspections and audits will be documented, and findings and recommendations for corrective

measures submitted to the IA through the PPTs/PMU (using the integrate safeguards monitoring report format defined in the EARF).

82. Environmental monitoring, including the environmental benefit monitoring, will be incorporated into the overall project monitoring and evaluation. Assisted by the environment specialists in the project consultant team, the PCU/PPTs will be responsible for analysing and consolidating the performance data. The environmental monitoring will be designed to allow adequate flexibility to adopt remedial actions regarding the project design, schedules, activities, and development impact.

83. In addition to the Safeguards-specific trainings covered in the EARF, PCU shall assure the implementation of periodic training (minimum 1) on operation and maintenance of project components for users/beneficiaries.

84. PCU, in collaboration with EA/IA shall identify and communicate desludging capacity for beneficiaries of latrine services.

85. PCU shall assure and document water quality testing compliant with Cambodian Drinking Water Quality Standards, 2004:

- For a representative sample of water sources before component construction/installation;
- At least once for each operational water source within 1 week of installation; and
- For a representative sample of operational water sources per commune at least annually throughout the Project life.

86. PCU shall assure communication of water quality testing results to users/beneficiaries. If water quality testing reveals quality unsuitable for drinking, PCU shall assure communication to users/beneficiaries of suitable methods to treat water (i.e. boil) and/or acceptable uses for water source (i.e. household use).

87. **Land Acquisition and Resettlement Impacts.** The original loan did not require any land acquisition as households within the target villages voluntarily donated land for water points, namely hand pumps, and larger parcels of land, such as community ponds, were situated on government land. No loss of livelihoods or income occurred. Due diligence conducted showed that households voluntarily provided their land, with no evidence of coercion or pressure and the donation was conducted with full consultation of the land owner and other households within the village. Households volunteered to donate land as the water point footprint is small (approximately 20-25 square meters) and were placed close to their house. Households also expressed satisfaction with the provision of hand pumps and the other components of the grant, namely latrines and other public sanitation infrastructure. Discussions were conducted within a sample of villages to ensure accessibility of the hand pumps to all households. Due diligence was conducted on the original grant.

88. The additional financing is classified as category C for Involuntary Resettlement. Project with IR impacts will not be eligible for financing under additional financing. The additional financing will adhere to methods used for the original grant, regarding land donations. The subproject communes will be required to submit a village water supply and sanitation plan to qualify as a subproject which includes all voluntary donation related documentation.

89. The original grant was identified to have had some weaknesses in adhering to procedures, Hence an IR/IP and Social Safeguards Screening Guidance Note²⁷ is provided. Where households elect to make voluntary contributions of affected land without compensation, this shall be acceptable only if the following safeguards are in place:

- (i) Full consultation with landowners and any non-titled affected people on site selection;
- (ii) Ensuring that voluntary donations do not severely affect the living standards of affected people, and are linked directly to benefits for the affected people, with community sanctioned measures to replace any losses that are agreed to through verbal and written record by affected people.
- (iii) Any voluntary donation will be confirmed through verbal or written record and verified through mutual validation; and
- (iv) Having an adequate grievance redress mechanism in place.

90. The above procedures are required to be fully documented with forms, attendance sheets, minutes of meetings, signature/thumb prints and photos. All landowners that voluntarily donate land should have a socio-economic survey conducted to ensure that the donation does not severely affect their living standards.

91. Due diligence will also be exercised to ensure that should poor households donate a small parcel of land for public purpose, this action will not impoverish them.

92. Prior to subproject approval, ADB, in coordination with EA/IA and PCU shall conduct Safeguards Due Diligence site visits of a representative sampling of Project sites.

93. The project consultants (PC) will provide technical support to the PCU at the EA level and the PPTs at the IA (provincial) level to: (i) ensure that screening and periodic project reviews are carried out; (ii) coordinate the reporting activities of the PCU/PPTs, (iii) monitor and coordinate project related procurement to ensure compliance with safeguard requirements; and (iv) prepare voluntary donation documents and support the PCU in implementation of the procedures required for voluntary donation, including conducting and documenting consultations and the Grievance Redress Mechanism. The EA/IAs will oversee the implementation of the different subproject components and enforce the implementation of the social safeguard requirements.

94. The PCU/PPTs will be responsible for “on-ground” implementation of compliance with the voluntary donation requirements, including any corrective actions required during the course of implementation. The PCU/PPTs are also responsible to respond to complaints from residents or businesses affected by the project works through the Grievance Redress Mechanism.

95. The PPTs shall prepare progress reports/internal monitoring on overall project implementation with focus on the requirements of voluntary donation and submit to the IRC and ADB.

96. The PCU, in coordination with the PC is responsible for designing, implementing, and documenting a Grievance and Redress Mechanism for environmental, safety, and social

²⁷ IR/IP and Social Safeguards Screening Guidance Note (accessible from the list of linked documents in Appendix 2).

concerns. The mechanism shall be communicated during consultations and made available to affected people. Grievances shall be recorded and addressed in a timely manner. The WSUG will act as the community-based monitoring group in each village.

97. Specifically, the social safeguard tasks of the PCU/PPTs are as follows:

- a. The PCU shall secure any required approvals from the Inter-ministerial Resettlement Committee (IRC) in the Ministry of Economy and Finance.
- b. Secure prior approvals by IRC and the ADB for any variations to the approved procedures.
- c. Ensure all required procedures related to voluntary donation are implemented, including the required documentation.

98. The Inter-ministerial Resettlement Committee is the decision making body on resettlement issues. The IRC shall carry out the following:

(i). Manage and supervise the implementation of the Project, such as DMS, Socio-economic surveys, negotiation and contract execution with AHs, public consultation with AHs, information disclosure, etc., based on the agreed policy and principles.

(ii). Monitoring the implementation of the social component of the project, ensuring that this is carried out in compliance with the loan agreement.

99. **Indigenous Peoples.** In line with the original grant, the additional financing is classified as category B. IP safeguards are triggered as the Cham are a distinct group that shall experience project impacts, albeit purely positive impacts. Ethnic Cham Villages have been identified within Khamong Thom, Kampong Channang and Pursat provinces, namely within Boeng, Khabt Trach, Svay, Svay Chhick, Cheab and The Phteas Rong Commune.

100. Meaningful and culturally appropriate participation and consultation with the ethnic Cham communities will be ensured and fully documented by the PMU. It will also be closely monitored for compliance by the EA and ADB during project implementation.

101. MRD, through the PCU, shall ensure that (i) full participation of ethnic and religious minorities is promoted in Project activities, including, among other things, the capacity development and training activities, and; (ii) the WSUG board has reasonable representation from the ethnic and religious minority groups; and (iii) all activities are consistent with ADB's SPS (2009).

102. The PCU shall ensure that monitoring reports include a specific section on Ethnic Cham Villages and provide evidence of meaningful consultation and specific culturally sensitive and appropriate actions that were implemented.

103. Regular reporting and monitoring on safeguards compliance is required during project implementation of the additional financing and this shall be emphasized to the IA/EA. Safeguard compliance documents for the additional financing have been disclosed on the websites of ADB.

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

VIII. GENDER AND SOCIAL DIMENSIONS

A. Poverty Impact and Social Inclusion

105. A poverty, social and gender assessment was conducted during project preparation to determine socioeconomic characteristics, needs and priorities, and opportunities for participation for project area beneficiaries. Based on this assessment, a Summary Poverty Reduction and Social Strategy (SPRSS) identifies the design and implementation of a Gender Action Plan (GAP), a Stakeholder Communication Strategy (SCS), and a Participation Plan (PP) with measures to enhance project benefits and mitigate potential risks or negative impacts to the project population.

106. The Project will have a generally positive impact on women and men because it will improve access to improved water supply and sanitation to some of the poorest provinces (2012 communal data base poverty rates range from 24.8% in Battambang to 29.1% in Kampong, compared to 17.7% national average) of Tonle Sap Region. The Project upon completion will expand access of 100% of residents in to improved water sources and 80% of residents to improved sanitation in 40 communes (240,294 beneficiaries), including 100% of poor and vulnerable households (ID Poor-1 and 2 categories, in addition to special vulnerable groups and additional poor (i.e. those who cannot afford latrine construction) identified by commune Village Development Committees in the target villages. Specifically, it will reduce the burden for women and girls, who as primary water collectors and caregivers, in spending less time collecting water (decrease by 30%) and looking after other household members who might fall ill because of water-related disease. while offering the opportunity to improve their own health (where female exposure rates to water and sanitation-related diseases are higher).

107. The key poverty and social inclusive design features of the project include: (i) water supply facilities developed in accordance with village water supply and sanitation plans; (ii) cap on community contributions for new water supply system is limited to 3% cash and 7% in-kind of total costs; (iii) sanitation grants targeted at poor and vulnerable households; and (iv) provision of local employment opportunities for civil works construction through commune business groups established under the Project.

108. Based on the gender analysis and proposed actions, the Project is gender mainstreaming category I – Gender Equity Theme (GEN). The gender assessment identified that although women and girls have primary responsibility for domestic water, sanitation, and hygiene management, they often don't have accompanying role and power in decision making on water and sanitation management at sector, national, and subnational levels. At the institutional level, limited gender awareness at national, provincial and sector government levels is often reflected in low rates of female staffing and skills development to mainstream gender in sector policies and programs. In addition to the project's overall goal to improve access to improved water and sanitation systems, the gender action plan will support increased women's representation in the water sector and village level water and sanitation management platforms.

109. Key design features and targets to enhance women's participation include: (i) 40% women's participation in Water Service User Groups (WSUGs), 40% in Rural Water Supply and Sanitation Committee (RWSS) Committee, 50% Village and Commune Focals; (ii) increase women's representation in RWSS decision-making in DRHC (at least one of three appointments to coordinate project activities to be female), PPT increase female staff to 20%, and RWSS disaster risk management plan preparation include at least 40% female staff; and (iii) Provincial Project Team support gender awareness/capacity development to implement GAP components to Village Development Committees (VDCs), WSUGs, Provincial Department of Rural

Development (PDRD), and the Project Coordinating Unit (PCU). The PCU and PPTs will be responsible for ensuring social and gender actions are implemented and monitored. GAP implementation will be coordinated by a national gender specialist in the PC and skilled gender focal in the PPTs who will ensure the sex disaggregated data is collected and integrated in bi-annual GAP implementation progress reports and the Project's quarterly, mid-term, and completion reports. Resources for GAP implementation are integrated in the Project budget.

B. Gender and Development

110. **Gender Impacts.** RWSS programs provide an opportunity to deliver direct benefits to women through time-savings and improved health while improving the sustainability of the services. Promoting women's participation in WSUGs and as peer-to-peer facilitators will also contribute to women's empowerment through by strengthening their decision-making abilities in the communities. Time-savings from collecting water from distant or low-yielding sources and improved personal and family health will also lead to the increasing economic productivity of women. Furthermore, convenient access to water and sanitation facilities increases privacy and reduces the risk of women and girls to sexual harassment or assault. A project gender action plan has been prepared that builds on the implementation experiences of that developed for the RWSSP2. It ensures broad understanding of—and attention to—the different needs of women and men in the RWSS sector, provides equal opportunities for women and men to access project benefits and participate in capacity development activities. Specific targets include (i) at least 50% of the selected commune- and village-level focal persons, including peer leaders, be women; (ii) at least 40% of each RWSS committee and WSUG board be women; and (iii) village level project activities are implemented in cooperation with the commune council committees on women and children's affairs. The plan is in accordance with the Ministry of Women's Affairs national strategy for gender mainstreaming, MRD gender working group action plan, and ADB's *Policy on Gender and Development* (1998).

111. **Gender Action Plan.** See GAP in table overleaf.

112. **Implementation arrangement for GAP:** Ministry for Regional Development/PCU (MRD). DRWS and PDRDs/ Provincial Project Teams (PPTs) will be responsible for the implementation, monitoring and reporting. The PCU will assign a national social development and gender expert to coordinate, under the supervision of an international social development and gender expert (part-time), in cooperation with the PPT gender focals. Project GAP implementation progress will be consolidated, using sex disaggregated data, and reported in the Project's quarterly progress, mid-term and project completion reports.

113. **GAP Budget:** Resources for GAP implementation are integrated in the Project budget.

Grant: 0156 CAM – Gender Action Plan	
Activities	Proposed Gender Actions and Targets
Output 1: Improved Community Health and Hygiene Practices	
<ul style="list-style-type: none"> • At least 50% women serve as village and commune focals and provided with training in WASH behavior change, operation and maintenance water supply facilities. • Each WSUG will have a five member board with at least two members are women (40%) and reinforce the importance of women’s inclusion in RWSS decision making at HH and village/communal level. • Two representatives from each WSUG (one for water supply and one for sanitation) are on the RWSS committee with at least 40% are women. • MRD GMAGs will train PCU, PDRD, and VDC members on gender awareness and importance of women’s participation, voice and inclusion in RWSS decision making. • PPT will provide capacity development support to Village focals to facilitate hygiene, health, and sanitation training and awareness among women, men and children, with minimum 40% male participation. . • PPT will provide gender sensitive training to Commune Council, VDC, and WSUG Boards on roles and responsibilities; WASH training to VDCs, WSUGs, and Village focal persons; GAP gender implementation requirements to VDCs, together with MRD/Department of Community Development. 	
Output 2: Rehabilitated, Upgraded and New Water Facilities	
<ul style="list-style-type: none"> • Conduct separate focus groups discussions for women and men during subproject feasibility studies with female implementation team staff leading women’s focus groups. • Ensure at least 50% women participate in community water supply decisions on village development plans (e.g. Village Water Supply and Sanitation Plan, Village Development Drinking Water Safety Plan, and local Disaster Risk Management Plan) water supply technology choices, and community contributions. • Gender responsive selection criteria identified and adopted by PPT in selection and siting of community water supply facilities (e.g. user-friendly operation and maintenance, distance to water point). • Collection time and/or distance to water points reduce women and girls average monthly collection time by minimum 50% (baseline: average 45 hours/month, distance 228 meters). 	
Output 3: Improved Public and Household Sanitation	
<ul style="list-style-type: none"> • Construct 140 public toilets with separate facilities for females, males and disabled. • Ensure all identified poor and vulnerable households, meeting project criteria, in target communes receive project sanitation grant for latrine sub-structure construction • WASH training provided to all target communes, with at least 40% men’s participation, on the linkages between improved health and proper sanitation and hygiene. • At least 40% of women and 40% of men are included in awareness and behavioral-change training 	
Output 4: Strengthened Sector Planning and Development	
<ul style="list-style-type: none"> • Ensure at least 40% of those that attend training on M&E from the commune and village levels are women. • PPMS and RWSS database established with data collection disaggregated by sex and reflected in project’s quarterly, mid-term and project completion reporting mechanisms, including bi-annual GAP implementation performance. • Disaster Risk Reduction and Management Plans for RWSS prepared for national, provincial and local levels, include 40% female RWSS staff during preparation and targeting at least 50% of information recipients are female via PPT mechanisms • Appointment of a deputy director and two staff members from DRHC to coordinate project activities and work at the PCU office, at least one member to be female. • Commune Business Groups established with priority given for technical training (with at least 60% female representation) and civil works contracts for latrine construction. 	

Output 5: Improved Capacity for Project Implementation

- Ensure at least 40% staff of PCU staff are women (baseline: 33% currently all in community development, sanitation, and accounting positions) 20% PDRD/PPT are women (baseline: 12.5%) by 2017.
- All project implementation training includes a session on gender awareness and GAP implementation.
- The technical and management capacity of MRD staff members at national, provincial, and sub provincial levels is enhanced, with at least 30% training participants female.
- Ensure 100% women in WSUG Boards, RWSS Committees, and Village Focals receive training in leadership skills and public speaking to enhance their decision-making capacity.
- At least one of three NGO persons placed in each PDRD project team is a woman.
- PCU employ an international social development and gender expert in cooperation with PPT local gender focals in GAP monitoring, implementation and reporting, under the supervision of an international social development and gender expert (4 person-months intermittent each).

Acronyms: DRHC = Department of Rural Health Care; GAP = gender action plan; GMAG = gender mainstreaming action group; IAs = implementation agencies; IEC = information, education and communication; MRD = ministry of rural development; O&M = operation & maintenance; PCU = project coordination unit; PDRD = provincial department of rural development; PMC = project management consultants; PPMS = project performance monitoring system; RWSD = rural water supply department; VDC = village development committee; WASH = water, sanitation and hygiene; WATSAN = water and sanitation; WSUG = water and sanitation user group.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Impacts the Project is Aligned With			
<p>Current project</p> <p>Access to improved RWSS nationwide and better health of rural households in project provinces enhanced (National Strategy for Rural Water Supply, Sanitation and Hygiene and the National Strategic Development Plan 2014–2018)^a</p> <p>Overall project</p> <p>Unchanged.</p>			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>Outcome</p> <p>Current project Access to improved RWSS in selected communes of six provinces in the Tonle Sap Basin increased</p> <p>Overall project Unchanged</p>	<p>Current project By 2016: a. 100% of residents in 40 communes (400 rural villages), especially women, have access to improved water sources (2008 baseline: 13%) b. 80% of residents in 40 communes (400 rural villages), especially women, have access to improved sanitation (2008 baseline: 8%) c. Number of diarrhea cases for children under age 5 who are treated at health facilities associated with the 400 villages has decreased</p> <p>Overall project By 2020: a. 100% of households in 59 communes (639 rural villages) (2016 baseline: 32 communes [364 villages]) b. 80% of households in 59 communes (639 rural villages) (2016 baseline: 32 communes [364 villages]) c. Decreased by 40% below national average for rural areas (2014 baseline: 12.9%)</p>	<p>Overall project a–c. Commune council database; Ministry of Planning statistical book</p> <p>Baseline and follow-up surveys in the target project communes and villages</p> <p>Ministry of Health database and health coverage plan</p> <p>Health information system at the Ministry of Health provincial health department database (information disaggregated by sex)</p>	
<p>Outputs</p> <p>Output 1</p> <p>Current project Community health and hygiene practices improved</p> <p>Overall project Unchanged</p>	<p>By 2019:</p> <p>1a. Current project 400 village water supply and sanitation plans prepared and consolidated into 40 commune plans</p> <p>1a. Overall project 639 village water supply and sanitation plans prepared and consolidated into 59 commune plans (baseline 2016: 32 plans)</p> <p>1b. Current project At least 50% women serve as village and commune focal persons</p> <p>1b. Overall project (changed) At least 50% women serve as village and commune focal persons and are trained in O&M of water supply facilities</p> <p>1c. Current project At least 3,200 WSUGs trained</p>	<p>Overall project 1a–1h. Approved village water supply and sanitation plans</p> <p>Meeting records</p> <p>Commune development and investment plans</p> <p>WSUG and VDC records</p> <p>MRD rural water</p>	<p>Overall project Poor sustainability of WSUGs and tariff collection of community-managed small piped water supply systems</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>1c. Overall project At least 5,400 WSUGs trained (baseline 2016: 2,920)</p> <p>1d. Current project One WSUG formed for each communal water facility rehabilitated or developed (average eight per village)</p> <p>1d. Overall project One WSUG formed for each communal water facility rehabilitated or developed and its members trained (average eight per village)</p> <p>1e. Current project Each village holds at least two meetings before preparing village water supply and sanitation plan to inform households about the project</p> <p>1e. Overall project Unchanged</p> <p>1f. Current project Each WSUG will have a five-member board, and at least two members are women (40%)</p> <p>1f. Overall project Unchanged</p> <p>1g. Current project Two representatives from each WSUG (one for water supply and one for sanitation) are on the RWSS committee, at least 40% are women</p> <p>1g. Overall project Unchanged</p> <p>1h. Current project At least 50% of all members trained in the maintenance of water supply and sanitation systems in each WSUG are women</p> <p>1h. Overall project Unchanged</p>	<p>supply database</p> <p>Commune and provincial health data</p> <p>Cambodia Demographic and Health Survey report</p> <p>Quarterly progress reports</p> <p>M&E reports</p>	
<p>Output 2</p> <p>Current project Water supply facilities rehabilitated, upgraded, and developed</p> <p>Overall project Unchanged</p>	<p>By 2019:</p> <p>2a. Current project At least 2,400 (average six per village) communal water facilities rehabilitated or upgraded to improved water supply systems</p> <p>2a. Overall project (changed) At least 4,384 communal water facilities either (i) rehabilitated or upgraded or and t(ii) new water supply points developed to provide universal safe water supply coverage for 275 villages (baseline 2016: 2,184)</p> <p>2b. Current project At least 25,000 household water filters supplied for ponds in accordance with village water supply and sanitation plans</p> <p>2b. Overall project (changed) All rehabilitated community ponds provided with water treatment using slow sand-filters and household water filters provided to all households in villages where water sources are not reliable (baseline 2016: 53)</p> <p>2c. Current project At least 25,000 rainwater collection systems supplied to households in accordance with village water supply and sanitation plans</p> <p>2c. Overall project Rainwater jars provided to all households in villages where reliable well water cannot be secured (baseline 2016: 25,110)</p> <p>2d. Current project</p>	<p>Overall project</p> <p>2a–2e.</p> <p>Rehabilitation action plan in village water supply and sanitation plans</p> <p>Commune and VDC records</p> <p>MRD database</p> <p>Commune development plans</p> <p>Provincial development plans</p> <p>Feasibility studies</p> <p>Quarterly progress reports</p>	<p>Overall project</p> <p>Lack of beneficiary contributions for small piped water supply systems</p> <p>Inadequate water supply</p> <p>Poor water quality</p> <p>Poor sustainability of tariff collection of community-managed small piped water supply systems</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>At least 200 rainwater collection systems supplied to schools (average five per commune) 2d. Overall project At least 300 collection systems (baseline 2016: 160) 2e. Current project Percentage of non-productive deep wells in the Tonle Sap Basin reduced from 16% to 12% 2e. Overall project Unchanged</p>		
<p>Output 3</p> <p>Current project Public and household sanitation improved</p> <p>Overall project Unchanged</p>	<p>By 2019: 3a. Current project An average of five blocks of public latrines (separate for males and females) constructed or improved in each subproject commune (200 blocks total) 3a. Overall project 295 blocks (baseline 2016:160) 3b. Current project One management agreement per public facility is in place between PDRD and the public entity (total 200 O&M contract agreements) 3b. Overall project 295 agreements in total (baseline 2016: 160) 3c. Current project 75% of rural residents in villages receive a sanitation grant for improved latrines by 2015. 3c. Overall project 80,177 sanitation grants for pour-flush latrine provided to all identified poor and vulnerable households (baseline 2016: 45,677) 3d. Current project At least 40% of women and 40% of men trained on awareness and behavioral change 3d. Overall project Unchanged 3e. Current project At least 58,200 household latrines constructed by 2015 3e. Overall project Minimum total latrine coverage of 80% in all project villages (baseline 2016: 80% across 364 villages) 3e. Current project At least 80% of WSUGs are functional. 3f. Overall project Unchanged 3g. Overall project (new under the grant) New lake-based latrine solutions piloted in two communes (2016 baseline: 0) 3h. Overall project (new under the grant) New solutions for latrine emptying, treatment, and disposal piloted in 12 communes (2016 baseline: 0)</p>	<p>Overall project</p> <p>3a–3h.</p> <p>Commune council database</p> <p>Commune and VDC records</p> <p>O&M contract agreements</p> <p>MRD database</p> <p>Feasibility studies</p> <p>Quarterly progress reports</p>	<p>Overall project</p> <p>Limited implementation of self-financed latrines</p>
<p>Output 4</p> <p>Current project Sector planning and development strengthened</p> <p>Overall project Unchanged</p>	<p>By 2019: 4a. Current project Appropriate health indicators included in the RWSS and M&E database (and disaggregated by sex) 4a. Overall project Unchanged 4b. Current project Small groups (at least 60% female representation) given priority for private sector capacity development 4b. Overall project Unchanged 4c. Current project At least 40% of those that attend training on M&E from the commune and village levels are female 4c. Overall project Unchanged</p>	<p>Overall project</p> <p>4a–4f.</p> <p>Appointment notification</p> <p>Records of meetings</p> <p>Commune council Database</p> <p>MRD budget and strategy plan</p>	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>4d. Current project RWSS, including rehabilitation and upgrading of existing water facilities, prioritized in MRD's 3-year budget and strategy plan and its annual updates</p> <p>4d. Overall project Unchanged</p> <p>4e. Overall project (added) Training for climate change adaption and mitigation developed and included in all water, sanitation, and health trainings</p> <p>4f. Overall project (added) National, provincial, and local disaster risk management plans prepared for RWSS</p>	Quarterly progress reports	
<p>Output 5</p> <p>Current project Capacity for project implementation and sustainability improved</p> <p>Overall project Unchanged</p>	<p>By 2019:</p> <p>5a. Current project At least 50% of project coordination unit and PDRD community development and sanitation staff members are women</p> <p>5b. Overall project At least 40% of project coordination unit (baseline 2016: 33%) and 20% PDRD/PPT staff are women (baseline 2016: 12.5%) by 2017</p> <p>5c. Current project At least three provincial and three subprovincial administrators participate in workshops</p> <p>5c. Overall project Unchanged</p> <p>5d. Current project At least one of three nongovernment organization persons placed in each PDRD project team is a woman</p> <p>5d. Overall project Unchanged</p>	<p>Overall project</p> <p>5a–5d.</p> <p>Workshop records</p> <p>Project capacity development plan</p> <p>Training database</p> <p>Quarterly progress reports</p>	

Key Activities with Milestones
<p>1. Improved community health and hygiene practices</p> <p>1.1 Expressions of interest submitted to the district integration workshop or PDRD by the commune chief for inclusion under the project: Q1 2010–Q1 2013 (completed)</p> <p>1.2 Village water supply and sanitation plans prepared and approved. Each plan includes subproject information, rapid appraisal of RWSS needs, water facilities rehabilitation action plan, village mapping, selection of the poor, socioeconomic baseline survey, and proposed RWSS technology: Q2 2010–Q2 2017 (changed)</p> <p>1.3 WSUGs formed and trained: Q2 2010–Q2 2018 (changed)</p> <p>1.4 Small groups and individuals trained for delivering better health outcomes in better RWSS household management: Q2 2010–Q2 2019 (changed)</p> <p>1.5 Village- or commune-level campaigns implemented: Q1 2010–Q4 2018 (changed)</p> <p>1.6 Refresher training for communes and villages: Q1 2017–Q1 2018 (added)</p> <p>2. Rehabilitated, upgraded, and developed new water facilities</p> <p>2.1 Rehabilitation assessments received from each province: Q1 2017 (changed)</p> <p>2.2 Subproject feasibility reports submitted for each commune in batches for ease of review and procurement. Each is appraised using the criteria outlined for the project: Q1 2011–Q2 2017 (changed)</p> <p>2.3 Existing water supply points rehabilitated: Q2 2010–Q2 2019 (changed)</p> <p>2.4 New, improved water supply points developed: Q3 2010–Q2 2019 (changed)</p> <p>2.5 Rural water safety plans and national water quality testing plan developed: Q1 2017–Q1 2018 (added)</p> <p>2.6 Water quality tests done at all water supply facilities: Q2 2011–Q2 2019 (changed)</p> <p>3. Improved public and household sanitation</p> <p>3.1 Public latrines constructed at schools or health facilities: Q2 2011–Q2 2019 (changed)</p> <p>3.2 Household latrines constructed: Q2 2011–Q2 2019 (changed)</p> <p>3.3 Develop new latrine solutions for lake-based communities and pilot these Q1 2017–Q3 2019 (new)</p> <p>3.4 Develop new solutions for latrine emptying, treatment and disposal and pilot these Q1 2017–Q3 2019 (new)</p> <p>4. Strengthened sector planning and development</p> <p>4.1 Sector planning enhanced: Q1 2010–Q4 2014 (completed)</p> <p>4.2 Private-sector involvement in RWSS development strengthened through training in technical and management</p>

<p>Key Activities with Milestones</p> <p>fields: Q2 2010—Q2 2019 (changed)</p> <p>4.3 RWSS monitoring and evaluation for health outcomes improved: Q1 2010—Q2 2019 (changed)</p> <p>4.4 Develop and conduct training in climate change adaptation and mitigation for RWSS at national, provincial, and local levels: Q1 2017–Q2 2018 (added)</p> <p>4.5 Conduct training in and prepare disaster risk management plans for RWSS at national, provincial, and local levels: Q1 2017–Q2 2018 (added)</p> <p>5. Improved capacity for project implementation and sustainability</p> <p>5.1 Project orientation workshops delivered at the national level and in each province for provincial and subprovincial administrators and implementers: Q1 2010 (completed)</p> <p>5.2 Capacity development plan created for MRD, PDRDs, and district offices of rural development: Q2 2010–Q3 2014 (completed)</p>
<p>Inputs</p> <p>Asian Development Bank: Loan</p> <p>\$0 (current)</p> <p>\$15,000,000 (additional, ADF)</p> <p>\$15,000,000 (overall)</p> <p>Government</p> <p>\$1,800,000 (current)</p> <p>\$2,100,000 (additional)</p> <p>\$3,900,000 (overall)</p> <p>Beneficiaries</p> <p>\$3,000,000 (current)</p> <p>\$1,330,000 (additional)</p> <p>\$4,330,000 (overall)</p> <p>Grant</p> <p>\$21,000,000 (current, ADF)</p> <p>\$1,500,000 (additional, Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility)^b</p> <p>\$22,500,000 (overall)</p> <p>Technical Assistance</p> <p>\$0 (current)</p> <p>\$2,000,000 (additional, Japan Fund for Poverty Reduction)</p> <p>\$2,000,000 (overall)</p>
<p>Assumptions for Partner Financing</p> <p>Not applicable.</p>

ADF = Asian Development Fund, M&E = monitoring and evaluation, MRD = Ministry of Rural Development, O&M = operation and maintenance, PDRD = provincial department of rural development, Q = quarter, RWSS = rural water supply and sanitation, VDC = village development committee, WSUG = water and sanitation user group.

^a MRD. 2014. *National Action Plan: Rural Water Supply, Sanitation, and Hygiene 2014–2018*. Phnom Penh.

^b Financing partner: Bill & Melinda Gates Foundation.

Source: Asian Development Bank.

B. Monitoring

114. **Project performance monitoring.** The system was established under the Tonle Sap Rural Water Supply and Sanitation Project and was updated under the original project to comply with the indicators in the DMF. Project performance monitoring will be based on the new targets for existing indicators, assumptions, and risks in the DMF. Disaggregated baseline data for output and outcome indicators will be gathered for all new subprojects prior to implementation, and will be updated and reported through the Project quarterly progress reports and after each ADB review mission. These quarterly progress reports will provide information necessary to update ADB's project performance reporting system.

115. The Project, within 3 months of loan and grant effectiveness, will make adjustments to the existing PPMS, of Second Rural Water Supply and Sanitation Sector Project to ensure that it meets its performance and safeguard reporting needs. A new baseline survey will be conducted, as part of each village water supply and sanitation plan (output 4). Each PDRD will provide the PCU with quarterly reports on its activities, compliance with safeguard requirements, and progress toward output targets. The PCU will consolidate these reports into a quarterly progress report that will be finalized and circulated to ADB, MRD, and the project steering committee within 1 month of the end of the reporting quarter. Baseline data for each commune subproject will be drawn from the information contained in the subproject feasibility report, which will be prepared prior to the final selection of the commune as a participating subproject. Select data will be disaggregated by sex, household income, and ethnic group where applicable.

116. During project implementation, the PDRD project teams will be responsible for ensuring that the PPMS is implemented and updated, in consultation with the local communities, to (i) examine the project's technical performance, (ii) evaluate the delivery of the planned facilities, (iii) assess the achievement of the Project's objectives, (iv) ensure compliance with social safeguards, and (v) measure the Project's benefits. Annual PPMS reports will be prepared by each PDRD project team, then consolidated by the PCU and submitted to ADB. The integrated system for the management, monitoring, and evaluation of project impacts, outcomes, and outputs accords with ADB's *Project Performance Monitoring System Handbook (2007)*.

117. **Compliance monitoring.** Compliance against the existing grant covenants and new loan and grant covenants will be monitored and reported in quarterly reports and during ADB review missions, continuing the existing monitoring activity.

118. **Safeguards monitoring.** MRD will provide ADB as part of the feasibility studies with screening checklists and proposed categorizations for all subprojects. These will be summarized in quarterly monitoring reports for each batch. MRD will also ensure that, consistent with commitments made in relationship to covenants in the loan and grant agreements, safeguards monitoring reports for environment, indigenous peoples and involuntary resettlement are submitted semi-annually. Safeguards semi-annual monitoring reports will summarize issues and corrective actions undertaken. Due diligence reports are required per subproject to ensure that voluntary donation requirements are adhered to. MRD will be responsible for submission of these reports to ADB, which will be prepared with assistance from the consultants.

119. **Environmental Safeguards Monitoring.** The PCU, with the assistance of project consultants, will oversee and monitor the implementation of Environmental Management Plans (EMPs). If necessary, the project consultants will assist the PCU to update the EMPs. The PCU will assess (i) compliance with the Project's environmental policies and procedures and (ii) the availability and efficient use of personnel, material and financial resources; and (iii) identification of any problems and the need for remedial actions to correct any problems that arise. The PCU shall report against these internal monitoring aspects on a semi-annual basis

120. To ensure that potential environmental problems are detected and addressed appropriately, environmental monitoring will take place during project implementation. During construction, the key tasks are monitoring the compliance with environmental mitigation measures in the environmental management plan for each subproject, which shall be done by the PDRDs/PPTs with oversight from the PCU.

121. Environmental monitoring will be conducted by the community and PDRD (for water

quality monitoring). Environmental monitoring to be conducted by the community including the Water and Sanitation User Group (WSUG) will provide community feedback during construction and operation. The water quality monitoring (as described in the EARF) to be conducted by the PPTs will require water sampling and laboratory testing.

122. For this purpose, the PCU shall devise a simplified (e.g., 1-page) monitoring report to be accomplished by the village or commune. These reports (or updates) shall be submitted to the respective PDRD for consolidation. All subprojects shall be required to comply with this reportorial requirement.

123. The findings from all monitoring activities will be summarized and included in quarterly project progress reports prepared by the PPTs. These will be submitted to the PCU for consolidation and reporting to the ADB and other co-financers. Any issues that arise that call for further monitoring activities or other investigation will be raised by the PCU in the progress reports and discussed at review missions. For this purpose, the *Integrated Safeguards Monitoring Report format* defined in the updated EARF shall be used. A single report shall be prepared for each province.

Responsible Unit	Reporting Requirement	Frequency
Commune to PPT	Incident Report	As necessary
	Annual Monitoring/Feedback	End of year (annual)
PPT to PCU	Integrated Safeguard Monitoring Report	Quarterly
PCU to ADB	Integrated Safeguard Monitoring Report	Semi-Annual (to be attached to 2 nd and 4 th Project Progress Reports)

124. The PCU will report to ADB of the Project's performance on environmental safeguards. For efficient implementation of the Project, the environmental reporting schedule should coincide with the overall Project progress reporting schedule (safeguards monitoring reports to be attached to 2nd and 4th Project Progress Reports). The environmental monitoring reports will be made available for disclosure on ADB's website.

125. ADB reviews the environmental safeguard documents including EMPs and environmental monitoring plans, on a random basis and carries out field trips to verify safeguard compliance.

126. For subprojects that were not required to prepare IEE reports, the generic EMP included in the EARF (Appendix 3) shall be used as benchmark/reference for monitoring environmental performance. It shall be included in the reportorial requirement of PDRD-to-PCU and PCU-to-ADB.

127. **Social Safeguards Monitoring. Involuntary Resettlement monitoring.** *Internal monitoring* by the MRD through the PMU, will serve to evaluate (i) compliance with the Project's social safeguards policies and procedures, (ii) timely availability of personnel, material, and financial resources and efficient use of these to implement voluntary donation related activities; and, (iii) identification of problems, if any, and development of remedial actions to address these.

128. The PMU will review and confirm the suggested internal monitoring indicators below, procedures and reporting requirements for all project components that involve resettlement and

will report on resettlement implementation progress as part of semi-annual project progress reports submitted to IRC and ADB.

129. Internal monitoring indicators will include:

- Timely and transparent implementation of voluntary donation procedures;
- Public information, public consultation and grievance redress procedures are followed as described in this PAM;
- Attention given to the priorities of AHs regarding the options offered; and,
- Public facilities and infrastructure affected by the Project are restored promptly

130. All consultation minutes, relevant documentation, signed voluntary donation forms, socio-economic surveys etc. will be included in the records/documentation to be maintained by the PMU on behalf of the EA and made available to ADB during missions and/or for due diligence and spot check.

131. To ensure that potential social problems are detected and addressed appropriately, social safeguard monitoring will take place during project implementation. During the identification of land parcels to be donated for public use, the key tasks are monitoring the compliance with the voluntary donation procedure of each subproject, which shall be done by the PDRDs/PPTs with oversight from the PCU.

132. The findings from all monitoring activities will be summarized and included in quarterly project progress reports prepared by the PPTs, These will be submitted to the PCU for consolidation and reporting to the ADB and other co-financers. Any issues that arise that call for further monitoring activities or other investigation will be raised by the PCU in the progress reports and discussed at review missions. For this purpose, the *Integrated Safeguards Monitoring Report format* shall be used. A single report shall be prepared for each province.

Responsible Unit	Reporting Requirement	Frequency
Commune to PPT	Annual Monitoring/Feedback	End of year (annual)
PPT to PCU	Integrated Safeguard Monitoring Report	Quarterly
PCU to ADB	Integrated Safeguard Monitoring Report	Semi-Annual (to be attached to 2 nd and 4 th Project Progress Reports)

133. The PCU will report to ADB of the Project's performance on social safeguards. For efficient implementation of the Project, the social reporting schedule should coincide with the overall Project progress reporting schedule (safeguards monitoring reports to be attached to 2nd and 4th Project Progress Reports). The social monitoring reports will be made available for disclosure on ADB's website.

134. ADB reviews the social safeguard documents including voluntary donation documentation, on a random basis and carries out missions to verify safeguard compliance.

135. **Indigenous Peoples/Ethnic Minorities.** The PMU, with assistance from PPT will be responsible for supervision and monitoring of ethnic minority-related issues and actions for the Project, including documentation and reporting. Internal monitoring will serve to evaluate (i) compliance with the Project's social safeguards policies and procedures, including for ethnic minorities; (ii) timely availability of personnel, material, and financial resources and efficient use

of these to carry out specific actions integrated in project design to benefit the ethnic Cham; and, (iii) identification of problems, if any, and development of remedial actions to address these.

136. The PMU will develop internal monitoring indicators, procedures and reporting requirements for project components that affect ethnic minorities and will report on implementation progress as part of quarterly project progress reports submitted to MPWT and ADB. A separate paragraph will be included in all progress reports highlighting the project benefits to ethnic Cham through the project design and features. ADB supervision missions will also periodically review progress in implementation of ethnic minority actions and whether or not the project is successfully delivering culturally appropriate benefits and mitigating adverse impacts on ethnic Cham.

137. All consultation minutes, relevant documentation, signed compensation forms, etc. will be included in the records/documentation to be maintained by the PMU on behalf of the EA and made available to ADB during missions and/or for due diligence and spot check.

138. **Gender and social dimensions monitoring.** Monitoring of the implementation of the GAP will be undertaken by a national gender specialist in the PCY and skilled gender focals in the PPTs who will ensure that sex disaggregated data is collected and integrated in bi-annual progress reports on GAP implementation performance and the Project's quarterly, mid-term and completion reports. The PCU will develop a Project Performance Monitoring System (PPMS), establishing sex disaggregated indicators for project performance, monitoring, and evaluation. The PPMS will include monitoring tools, reporting templates (including use of the ADB GAP progress report template) and output indicators, assisted by the International Social and Gender Expert (4 person-months, intermittent). The PPTs will submit periodic (minimum bi-annual) reports to the MRD/PCU and ADB using these tools, templates, and indicators. The GAP budget shall include the cost of monitoring and evaluation. Monitoring of the pro-poor and social inclusion design measures indicated in the SPRSS, Participation Plan, and Stakeholder Communication Strategy, will be the responsibility of the PCU. Periodic activity reports will be submitted by the PPTs to the PCU. The PCY will be assisted by the International Social and Gender Expert in devising the monitoring indicators and reporting templates in assessing progress of the action plans.

C. Evaluation

139. ADB will review the project every six months. Each review will cover institutional administrative, organizational, technical, environmental, social, poverty reduction, gender mainstreaming, resettlement, economic, financial, and other aspects affecting the performance of the project and its continuing viability. The Government and ADB will jointly undertake a midterm review of the project. The midterm review will focus on (i) project impact, (ii) implementation progress, (iii) the performance of consultants and contractors, (v) the status of compliance with covenants in the loan agreement, and (vi) the need for any midcourse changes in project scope or schedule to ensure full achievement of the intended impact. Within six months of physical completion of the Project, PIA consultants and PMU will submit a project completion report to ADB.

D. Reporting

140. The MRD 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 the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

141. The preparation and adoption of a Stakeholder Communication Strategy (SCS) is required by ADB to ensure inclusiveness, transparency, timeliness and the meaningful participation of stakeholders.²⁸ The SCS provides an agreed communication platform for all key stakeholders particularly between the projects' affected groups and the executing and implementing agencies and ADB to ensure that the former's views and interests are fully integrated into the project design, implementation, reporting and impact.

142. The SCS identifies key communication messages to promote specific perspectives, actions and changes for the project's success. The SCS ensures that vulnerable groups, such as the poor, elderly, minority groups and women, who risk being marginalized, are provided with opportunities for communication and feedback during sub-project design and implementation. In this way, 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. The SCS complements the PP to ensure the effective participation of key stakeholders in the project.

143. Identified stakeholders include: (i) government agencies responsible for the design, management and implementation of the project (MRD, DRWS and PDRDs); (ii) private contractors and business organizations who will support civil works construction; (iii) civil society organizations (CSOs) who will support delivery of key messages to the communities; (iv) beneficiary residents in the targeted villages including poor and vulnerable households; and (v) local media.

144. The following table outlines key project stakeholders and their interests; identifies key messages, means of communication, and timeline of delivery during the project cycle.

²⁸ Meaningful participation is defined as a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Source: ADB Safeguard Policy Statement 2009.

**Table 4.8: Stakeholders Communication Strategy (SCS)
Grant 0156 CAM: RWSSP2**

Objectives	Key Risks and Challenges	Main Stakeholders	Messages	Means of Communication	Timeline	Responsibility	Resources
<p>Ensure a regular flow of reliable information to enhance stakeholders understanding of project benefits.</p> <p>Establish two-way information sharing/dialogue mechanisms between EA/IA and stakeholders to ensure social inclusion and effective risk mitigation</p>	<p>Trust of information</p> <p>Language/cultural barriers</p> <p>Literacy level</p> <p>Level of coverage and outreach</p> <p>Managing expectations</p>	<p>Beneficiary recipients of improved water supply facilities and subsidized latrines, including poor and vulnerable households.</p> <p>Schools and health centers that are recipients of public latrines</p> <p>Landowners that donate land.</p> <p>MRD/RWSD, PCU, PDRD/PPT</p> <p>Commune and Village Councils and WSUG.</p> <p>VDC</p>	<p>Available types of improved water supply and sanitation/latrines assistance/technology and information to inform decision choice; key project benefits and beneficiary contributions expected; schedule of civil works appropriate to beneficiary agriculture and climate seasons.</p> <p>The Resettlement Framework will inform voluntary land donation due diligence requirements</p>	<p>Public meetings with stakeholders.</p> <p>FGD and local community consultations</p> <p>Information sharing and dissemination at cultural and religious events</p> <p>Local commune councils, village chiefs and WSUG to ensure all stakeholders are actively consulted and informed</p>	<p>From outset of project</p> <p>Regularly scheduled events to update (every 2 months)</p> <p>In schools and temples at beginning and end of each semester and in temples during major religious festivals such as the begging and end of Buddhist Lent and Pchumben</p>	<p>MRD/RDRWS, PCU and PDRD/PPT in six provinces.</p> <p>Local Commune Councils</p> <p>Village Chiefs</p> <p>Civil works contractors</p> <p>Government Departments</p> <p>WSUGs, NGOs, VDCs, Village Focals</p>	<p>Cost of public meetings to be integrated in project implementation budget</p>

Objectives	Key Risks and Challenges	Main Stakeholders	Messages	Means of Communication	Timeline	Responsibility	Resources
<p>Ensure that project beneficiaries understand and commit to their 10% cost contribution to the water supply project and its future O&M</p> <p>Poor recipients of the sanitation grant to complete their latrine's super structure.</p> <p>Recipients of self-funded latrines will be motivated to build and complete their latrines for its health and related benefits</p>	<p>Trust of information</p> <p>Literacy level</p> <p>Language/cultural barriers</p> <p>Level of coverage and outreach</p> <p>Managing expectations</p> <p>Lack of familiarity with government policy for water supply and sanitation.</p> <p>Information about proposed RWSS is not conveyed in an effective manner</p> <p>Effective targeting of Poor HHs recipients of sanitation grants.</p> <p>Language used is readily understood at local level and devoid of excessively technical terms</p>	<p>Target households and MRD/DRWS, PDRD/PPT</p> <p>Local commune and village councils.</p>	<p>Inform selection criteria and terms of access for construction of new water supply systems (collective contribution of 3% cash and 7% in-kind contribution) and associated increases if/when construction costs escalate for flexibility in collection of contributions</p> <p>Community mobilization and responsibilities for operation and maintenance of community water systems.</p> <p>Convey conditions of access to sanitation grants and responsibility for completion of latrine super structure</p> <p>Convey information to self-funding latrine households on the types of latrine technology available, material requirements and costs</p>	<p>Village public meetings in selected communes</p> <p>Media outreach via local television, radio in local language and calling and messaging people through cell phones.</p> <p>Schools and temples announcing key information about the project.</p> <p>Information sharing and dissemination at cultural and religious events</p> <p>Print materials including posters prepared for the project by MRD/DRWS and PCU/PPTAs.</p>	<p>From outset of Project</p> <p>Regularly scheduled events in local media</p> <p>In schools and pagoda events.</p>	<p>MRD/DRWS, PDRD/PPT, PMC and ADB.</p> <p>Commune and Village Chiefs and WSUG.</p> <p>NGOs</p>	<p>Cost of public meetings to be integrated in project implementation budget</p>

Objectives	Key Risks and Challenges	Main Stakeholders	Messages	Means of Communication	Timeline	Responsibility	Resources
Improve household and public (schools) hygiene and sanitation behavior	Trust of information. Literacy level. Language and cultural (long entrenched cultural habits and lifestyle of not having easy access to improved water supply and latrines) barriers. Level of coverage and outreach. Timing of WASH training directed at households	Target beneficiaries – villages and households that will benefit from improved RWSS. Poor -1 and Poor- 2 households, Special vulnerable groups and additional poor (i.e. those who cannot afford household latrine construction) identified by VDCs	Water, sanitation and hygiene (WASH) behavior messages (including male targets for participation that WASH behavior change is everyone's responsibility)	WASH campaigns (English and Cambodian) through, posters and leaflets, local media and public notices in partnership with civil society (WSUGs, NGOs, VDCs, Village Focals). WASH training workshops in schools and communes Posters and print materials. Commune and School meetings. Information sharing and dissemination at cultural and religious events	From outset of project	MRD/RWSD, PPT's, local authorities, School authorities NGOs VDCs, Village Chief Village focals Commune Council	Cost of public meetings and WASH campaigns to be integrated in project implementation budget

Acronyms: ADB = Asian Development Bank; GoC = government of Cambodia; EA = executive agency; FHH = female headed households; HH = households; IAs = implementation agencies; IEC = information, education and communication; MRD = ministry of rural development; MoF = ministry of finance; MOWA = ministry of women; NGO = non-government organisation; O&M = operation and maintenance; PDRD = provincial department of rural development; PMC = project management consultants; PCU = project coordination unit; PPT = provincial project team; RWSS = rural water supply and sanitation; WSUG = water sanitation user group.

X. ANTICORRUPTION POLICY

145. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.²⁹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³⁰

146. To support these efforts, relevant provisions are included in the loan agreement/regulations and the bidding documents for the project.

147. In all instances, the Loan Agreement shall be the overriding legal document. ADB Procurement Guidelines (2015, as amended from time to time) and ADB Guidelines on the Use of Consultants by the Asian Development Bank and its Borrowers (2013, as amended from time to time), shall be applied pursuant to the Loan Agreement as they may be modified by the Loan Agreement. The Government of Cambodia's policies and procedures shall be applicable to the extent there is no discrepancy with the Loan Agreement or ADB's Procurement Guidelines and Consulting Guidelines. In the event there is a discrepancy, then the Loan Agreement, the Procurement Guidelines and the Consulting Guidelines shall apply.

XI. ACCOUNTABILITY MECHANISM

148. 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 an effort in good faith 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.³¹

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

149. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

²⁹ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

³⁰ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

³¹ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.