



Project Administration Memorandum

Project Number: 36353
Loan Number: 2373
April 2008

Cambodia: Greater Mekong Subregion Southern Coastal Corridor Project

The project administration memorandum is an active document, progressively updated and revised as necessary, particularly following any changes in project costs, scope, or implementation arrangements. This document, however, may not reflect the latest project changes.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 1 November 2007)

Currency Unit (Cambodia)	–	riel (KR)
KR1.00	=	\$0.0002
\$1.00	=	KR4,0352

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AP	–	affected person
AusAID	–	Australian Agency for International Development
CBTA	–	Cross-Border Transport Agreement
DDIS	–	detailed design and implementation services
EA	–	executing agency
EMP	–	environmental management plan
GDPW	–	General Department of Public Works
GMS	–	Greater Mekong Subregion
IA	–	implementation agency
ICB	–	international competitive bidding
IDC	–	interest during construction
IMO	–	independent monitoring organization
IRC	–	Interministerial Resettlement Committee
IRM	–	independent resettlement monitor
LC	–	letter of credit
MEF	–	Ministry of Economy and Finance
MPWT	–	Ministry of Public Works and Transport
NCB	–	national competitive bidding
NR	–	national road (Cambodia)
PCSS	–	Procurement Contract Summary Sheet
PDPWT	–	Provincial Department of Public Works and Transport
PIU	–	project implementation unit
PMU	–	project management unit
PMU-3	–	Project Management Unit No. 3
PO	–	purchase order
RAMP	–	Road Asset Management Project
ROW	–	right-of-way
RP	–	resettlement plan
SCC	–	Southern Coastal Corridor
W/A	–	withdrawal application

WEIGHTS AND MEASURES

ha	–	hectare
km	–	kilometer
m	–	meter

NOTE

In this report, "\$" refers to US dollars.

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LOAN AND PROJECT SUMMARY

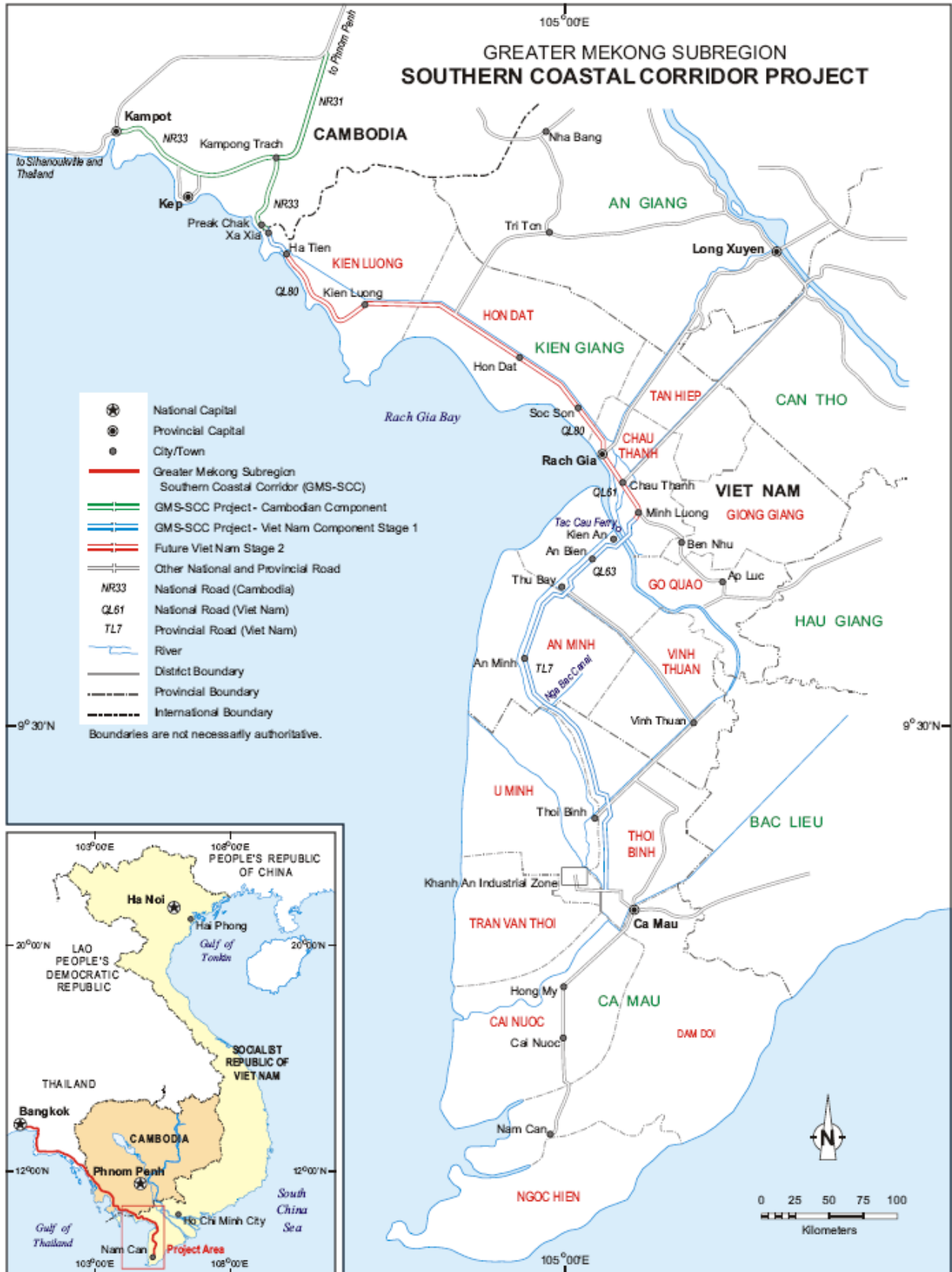
Loan Processing History

	Date(s)
a. Approval of Project Preparatory Technical Assistance (if any)	
b. Fact-Finding	25 Sept–16 Oct 2006
c. Management Review Meeting (MRM)	14 December 2006
d. Appraisal Mission	29 Mar–06 April 2007
e. Staff Review Committee (SRC)	19 July 2007
f. Loan Negotiations	10–11 September 2007
g. Board Circulation	28 November 2007
h. Board Consideration and Approval	28 November 2007
i. Loan Agreement Signing	18 February 2008
j. Loan Effectiveness, including Conditions	tbd
k. Physical Completion Date	30 June 2012
l. Loan Closing Date	31 December 2012

Conditions for Loan Effectiveness:

1. Ministry of Economy and Finance (MEF) shall have authorized its Treasury Division to disburse an interim second tranche payment under the 2007 budget for the Borrower's road maintenance program to the provincial Departments of Public Works and Transport in the proportion of 30% (thirty per cent) of the total 2007 budgetary allocation for the road maintenance program.

2. A date ninety (90) days after the date of the Loan Agreement is specified for the effectiveness of the Loan Agreement for the purposes of Section 9.04 of the Loan Regulations. This will expire on 19 May 2008.



I. PROJECT DESCRIPTION

A. Project Area and Location

1. The Greater Mekong Subregion Southern Coastal Corridor (GMS-SCC) Project is part of the Southern Economic Corridor involving Thailand, Cambodia, and Viet Nam. The Project area extends from Kampot in Cambodia to the Cambodia–Viet Nam border at Preak Chak–Xa Xia to Ca Mau in Viet Nam. This Project area is shown in the map of page ii.

B. Objectives and Scope

2. The objectives of the Project are to encourage economic activities in the affected provinces, provide employment opportunities for the local population, and improve access to social services. It also aims at improving regional cooperation in GMS through increased cross-border trade. At the national level, the Project responds to the emphasis given by Cambodian government to infrastructure development and to improve the GMS road network.

3. As for the scope of the Project, it will improve and rehabilitate 15.2 kilometers (km) of National Road (NR) 33. This will include periodic maintenance work on the Kampot–Kampong Trach section, upgrading of the Kampong Trach–Preak Chak section, and routine maintenance works on NR31 between Kampong Trach and the junction with NR33. Border facilities at the Preak Chak–Xa Xia (Ha Tien) border (between Cambodia and Viet Nam) and Koh Kong border (between Cambodia and Thailand) will also be improved under the Project. The Project will also include an HIV/AIDS and trafficking awareness and prevention program.

C. Project Components

1. Rehabilitation of Transport Infrastructure

4. In Cambodia, NR33 will be improved to national road standard from the intersection with NR31 in Kampong Trach to the border with Viet Nam at Preak Chak, a road length of 15.2 km. The work will include replacing an existing steel bridge in the center of the border neutral zone¹.

2. Cross-Border Facilities

5. The GMS-SCC crosses borders between Cambodia and Thailand at Koh Kong, and between Cambodia and Vietnam at Preak Chak–Xa Xia. Current facilities at both border crossings are inadequate. A complete new facility will be constructed at Preak Chak on the Cambodian side; on the Vietnamese side, additional facilities to facilitate passenger and cargo inspections and processing are required to supplement those provided in a recently completed building. The overall design of the cross-border facility will be a single design spanning both sides of the border and will take into account ongoing work on the implementation of the GMS Cross-Border Transport Agreement (CBTA).² At Koh Kong, a new facility will be constructed on the Cambodia side that will be designed to take into account the requirements of the GMS CBTA. Coordination with the Government of Thailand will be undertaken through existing committees established to coordinate border-crossing arrangements. A summary of these civil works is in Appendix 2.

¹ During the field visit of the inception mission it was revealed that this road section is 17.8 km, as posted on a monument at the aforementioned intersection. Further, the steel bridge is in the Cambodia side, not the neutral zone. These will have to be verified during the detailed design.

² ADB. 2006. *Technical Assistance for the Implementation of the GMS Cross-Border Transport Agreement*. Manila (TA 6307-REG). The CBTA will apply at both border crossings.

3. HIV/AIDS and Trafficking Awareness and Prevention Program

6. To address the increased risk of exposure to HIV/AIDS during construction activities, and the potential for increased trafficking of women and children because of large volumes of transit traffic along the GMS-SCC and the border area, the Project includes an HIV/AIDS and trafficking awareness and prevention campaign. This will be implemented through existing agencies in Cambodia, with assistance from consultants engaged under the Project, and will complement ongoing programs. Plan components include advocacy actions on HIV/AIDS and trafficking, information and education campaigns on HIV/AIDS and trafficking, provision of comprehensive HIV/AIDS medical packages to clinics and medical centers along the road, and monitoring.

4. Road Maintenance in Cambodia

7. Lack of adequate maintenance of road assets has been one of the major issues in the road sector in Cambodia. The Project will contribute to the development of sustainable road maintenance by providing funds for technical support to the Ministry of Public Works and Transport (MPWT) through a demonstration project that will include (i) maintenance planning, (ii) implementation of routine and periodic maintenance through competitively bid contracts, (iii) exposure of Cambodian contractors to contracts for routine and periodic maintenance, (iv) exposure of MPWT and Provincial Department of Public Works and Transport (PDPWT) staff to maintenance planning and implementation of this plan through competitively bid contracts, and (v) establishment of market rates for maintenance work that can be used to evaluate and standardize maintenance costs. This demonstration project will be implemented on the section of the GMS-SCC along NR33 between Kampot and Kampong Trach, and the section of NR31 between Kampong Trach and the junction with NR3. Work under this component is consistent with, and will be coordinated with work to be undertaken under Loan 2405-CAM: Road Asset Management Project (RAMP). Both this component and the RAMP support the development of long-term sustainability of the road network in Cambodia.

D. Special Features

8. **Regional Cooperation.** The Project considers the improvement of border facilities as an important element in encouraging economic growth and increasing trade opportunities between Cambodia, Thailand, and Viet Nam. While the likely scale of the flow through the new crossing between Cambodia and Viet Nam at Preak Chak–Xa Xia is difficult to quantify with precision because of the absence of a current formal crossing, regional population and industrial output suggest that future flows could be 10–30% of the concurrent traffic flows using the Bavet–Moc Bai crossing on the road linking Ho Chi Minh City and Phnom Penh. The increase in cross-border activities between Moc Bai on the Viet Nam border and Bavet on the Cambodia border, improved under the Phnom Penh–Ho Chi Minh City Highway Project (Loan 1660-VIE[Sf]), started increasing around 2003 and 2004, soon after the completion of the upgrading of facilities at the border. The total value of trade through the Moc Bai–Bavet border posts has increased at around 41% per annum from 2003 to 2006. People crossing the border have increased at an average rate of 53% from 2003 to 2006 while vehicles crossing the border have increased at an average rate of 38% during the same period.

9. **Resettlement.** A full resettlement plan (RP) has been prepared based on the preliminary design available: for NR33 in Cambodia. Here, 337 households will be affected by the Project. This will require relocation of 83 houses and 58 small businesses and shops. Eight households from the expansion of border facilities will lose their entire total productive landholdings. A summary of the resettlement plans is in Appendix 3.

II. COST ESTIMATES AND FINANCING PLAN

A. Detailed Cost Estimates

10. The project investment cost is estimated at \$18.7 million, including taxes and duties of \$1.33 million. The project investment plan is summarized in Table 1 and detailed cost estimates are in Appendix 4.

Table 1: Project Investment Plan (\$ million)

Item	Amount ^a
A. Base Cost ^b	
1. Civil Works	12.25
2. Resettlement	0.93
3. Consultants	2.28
4. Recurrent Costs	0.34
Subtotal (A)	15.80
B. Contingencies ^c	2.56
C. Financing Charges During Implementation ^d	0.34
Total (A+B+C)	18.70

^a Includes taxes and duties of \$1.33 million.

^b In mid-2006 prices.

^c Physical contingencies computed at 10% for civil works. Price contingencies computed at 11%. Includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest during construction.

Source: Asian Development Bank estimates.

B. Financing Plan

11. The Asian Development Bank (ADB) has provided a loan to the Kingdom of Cambodia of \$7 million equivalent. The loan is denominated in special drawing rights from ADB's Special Funds resources with terms of 32 years and grace periods of 8 years. There will be an interest charge of 1% per annum during the grace periods and 1.5% per annum thereafter. The Government of Australia, through the Australian Agency for International Development (AusAID), provided a grant to the Kingdom of Cambodia of 8.0 million equivalent in joint cofinancing for consulting services and civil works (this amount includes ADB's administration fee of \$200,000). The Government of Cambodia will contribute about \$3.7 million equivalent (about 20% of total costs) which will cover land acquisition and resettlement, independent monitoring of the resettlement plan provisions, a portion of project management costs, a portion of contingencies, a portion of civil works costs, and all taxes and duties. Of MPWT's recurrent project administration costs, ADB loan funds will be applied to the following items when costs are incurred for project-related activities: vehicle operation and maintenance; international and domestic travel, per diems, and allowances; communications; and miscellaneous office supplies. The Project's financing plan is summarized in Table 2 and details are in Appendix 4.

Table 2: Financing Plan (\$ million)

Source	Amount	%
Asian Development Bank (ADB)	7.0	37
Government of Australia ^a	8.0	43
Government of Cambodia	3.7	20
Total	18.7	100

^a This amount also include ADB's administration fee, audit cost, bank charges and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant contribution by the Government of Australia.

Source: ADB estimates.

C. Allocation of Loan Proceeds

12. The allocation of loan proceeds on the basis of categories of expenses has been established in the project loan agreement in Special Drawing Rights and here converted into US Dollars as shown in Table 3 below. Similarly, the allocation of the AusAID grant proceeds is shown in Table 4.

Table 3: Allocation and Withdrawal of Loan Proceeds

CATEGORY		ADB FINANCING	
Item	Amount Allocated (\$ million)	Percentage and Basis for Withdrawal from Loan	
	Category	Account	
1	Civil works	6.01	83% of total expenditure ^a
2	Project Administration ^b	0.30	87% of total expenditure ^a
3	Interest Charge	0.10	100% of amount due
4	Unallocated	0.60	
	Total	7.00	

^a Inclusive of taxes and duties imposed within the territory of the Borrower.

^b To fund costs incurred for Project related activities including: vehicle operation and maintenance; international and domestic travel, per diems, and allowances; communications; and miscellaneous office supplies.

Table 4: Allocation and Withdrawal of Grant Proceeds

CATEGORY		GOVERNMENT OF AUSTRALIA FINANCING	
Item	Amount Allocated (\$ million)	Percentage and Basis for Withdrawal from Grant	
	Category	Account	
1	Civil works	5.07	83% of total expenditure ^a
2	Consulting Services	2.22	100% of total expenditure
3	Unallocated	0.50	
	Total	7.80	

^a Inclusive of taxes and duties

III. IMPLEMENTATION ARRANGEMENTS

A. Executing and Implementing Agencies

13. MPWT will be the Executing Agency (EA) for the Project with responsibility for procurement, withdrawal of loan proceeds, engagement and direction of consultants, acting as Employer on all works contracts, and reporting to ADB and the Government of Australia.

B. Project Management Organization

14. Responsibilities for planning and implementation will be delegated to Project Management Unit No. 3 (PMU-3), under the General Department of Public Works (GDPW), as the implementation agency (IA) for the Project. The proposed project organization and implementation arrangements are in Appendix 5. MPWT and PMU-3 have experience of ADB requirements during implementation of ADB-funded projects and have performed satisfactorily on previous projects. PMU-3 will ensure that the Interministerial Resettlement Committee (IRC) and Kampot PDPWT establish a provincial resettlement committee as well as district resettlement working groups and commune resettlement task forces to be responsible for preparation and implementation of the resettlement plan. GDPW will ensure that an updated resettlement plan is prepared prior to any award of civil works contracts. The Kampot and Kep PDPWTs will coordinate with the Provincial Committees for the Control of AIDS to implement the HIV/AIDS and trafficking awareness and prevention program with assistance from the consultant engaged under the project implementation consulting services package. This plan will supplement government programs for prevention and complement other donor initiatives. PMU-3 will make equivalent arrangements as needed with regard to improvements of the Koh Kong border facility. PMU-3 will have overall responsibility for implementation of the environmental management plan (EMP) in the design and construction stages. EMP requirements will be incorporated into the construction documents; monitoring and enforcement will be ensured by PMU-3 with the assistance of the project implementation consultant. EMP requirements during operations will be monitored by the Social and Environmental Unit, Department of Planning (or Office of Social and Environmental Safeguard, General Department of Planning and Administrative Services, after MPWT reorganization), MPWT. The IRC will recruit an independent resettlement monitor (IRM) to monitor implementation of the resettlement plans. The IRM will be engaged prior to initiation of resettlement activities.

15. Within 3 months of the completion of rehabilitating and upgrading NR33 from Kampong Trach to Preak Chek, MPWT will assign responsibility for operations and maintenance to Kampot and Kep PDPWTs which already have responsibility for the major national highways in the project area.

IV. IMPLEMENTATION SCHEDULE

16. Recruitment of the detailed design and implementation services (DDIS) consultant commenced in June 2007 and this consultant will start work in late 2008. Detailed designs and bid documents for upgrading NR33 will be completed by early 2009, enabling procurement to be completed and construction to start early 2010. It is estimated that a construction period of 18 months will be required, with completion by mid 2011. The DDIS consultant will assist PMU-3 and Kampot PDPWT to complete resettlement work sufficient for award of civil works contracts by the end of 2009. It is estimated that the periodic maintenance work for NR33 from Kampong Trach to Preak Chek will require 18 months and be completed by mid 2011. Routine maintenance work for NR31 and NR33 will be undertaken for 3 years and finish by mid-2012. An outline implementation schedule of the Project at appraisal and its current status is in Appendix 6.

V. CONSULTANT RECRUITMENT

17. For all ADB and Government of Australia financed consulting services, international and national consultants will be recruited through a firm in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time) and will use ADB's quality and cost-based recruitment procedures. Full technical proposals will be required: to calculate the firms' total scores, technical proposals will be given a weight of 80% and financial proposals will be

given a weight of 20%. The government of Cambodia requested approval of advance contracting action for consulting services. Summary terms of references for the detailed design and construction supervision consulting services are in Appendix 7. IAs in Cambodia (PMU-3 and IRC) are familiar with ADB procurement requirements, and they have performed satisfactorily under previous ADB-funded projects.

18. Consultants will be recruited under two packages. A firm of consultants will be recruited to undertake the DDIS services under a contract to be financed using Government of Australia grant funds. For this contract, about 409 person-months of input will be required (about 47 person-months from international experts and about 362 person-months of national experts). The consultants will have expertise in project management, procurement, construction supervision, surveying, quantity surveying, materials, and project management systems; highway, bridge (including hydrology and drainage engineering), and pavement design; environmental impact management, social impact (including social development, gender, HIV/AIDS, and human trafficking), and resettlement planning; architecture and electrical and mechanical engineering; maintenance planning and economics; road safety awareness and audits; and project monitoring and evaluation. Kampot PDPWT will direct provincial government agencies to implement the HIV/AIDS and trafficking awareness and prevention program with assistance from the DDIS consultant.

19. IRC will recruit an IRM to monitor implementation of the resettlement plans. The terms of reference for the IRM will also include monitoring of the HIV/AIDS and trafficking awareness and prevention program. The IRM will be a national company with experience in resettlement planning and social analysis on similar internationally funded infrastructure projects. Government of Cambodia counterpart funds will be applied to these services and recruitment will be under Government of Cambodia procedures.

VI. PROCUREMENT

20. Procurement of all ADB and Government of Australia financed works will be in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). The procurement plan³ and details of proposed contract packages for the Project, the respective financing sources and expected dates of award are in Appendix 8, and the associated procedures are described in Appendix 9. Approval for advance procurement action for civil works has not been requested as preparation of civil works bidding documents can only commence after the DDIS consultants have commenced work, these services can only begin after loan effectiveness. PMU-3 is familiar with ADB procurement requirements, and they have performed satisfactorily under previous ADB-funded projects.

21. Separate civil works contracts will be procured for: (i) improvement of NR33 between the border with Viet Nam at Preak Chak and Kampong Trach, (ii) cross-border facilities at Preak Chak, (iii) cross-border facilities at Koh Kong, and (iv) replacement of bridges and culverts along the Kampong Trach–Kampot road section. These contracts will be procured using international competitive bidding (ICB) procedures. Civil works under the maintenance component will be suitably packaged through a number of contracts, where contracts costing more than \$100,000 and less than \$1 million may follow national competitive bidding (NCB) procedures acceptable to ADB. For procurement under both ICB and NCB procedures, post-qualification will be used to confirm that contractors have adequate technical and financial capabilities. All contracts procured under ICB procedures and contracts for consulting services will be subject to prior review by ADB,

³ The Borrower has submitted procurement plans for the next 18 months and was discussed with ADB during loan negotiations on 10-11 September 2007. ADB approved this on 5 November 2007. These will be updated annually or as necessary.

unless otherwise agreed between the Government of Cambodia and ADB and set forth in the procurement plan. Documentation for the first contract procured under NCB will be subject to prior review by ADB; thereafter, post-review will be required unless otherwise agreed. NCB shall be carried out in accordance with the Borrower's Procurement Manual of September 2005, modified or clarified as necessary to ensure consistency with ADB's *Procurement Guidelines*. Any necessary modifications or clarifications will be reflected in the procurement plan. The Government of Cambodia will use its own resources for financing the resettlement component of the Project, so procurement for these services and goods will be undertaken using government procurement procedures. All procurement will be managed by GDPW with assistance from the DDIS consultants.

VII. DISBURSEMENT PROCEDURES

22. Two imprest accounts—one for ADB loan funds and another for Government of Australia grant funds—will be established, managed, replenished, and liquidated in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time), and the detailed arrangements agreed between the Government and ADB. The initial amount to be deposited in the imprest account will be based on estimated expenditures for 6 months or 10% of the loan/grant amount, whichever is lower. The accounts will be established with a reputable commercial bank acceptable to both the Government of Cambodia and ADB. ADB's statement of expenditures procedure will be followed for reimbursement of expenditures and for the liquidation of each imprest account for individual payments not exceeding \$50,000. Loan disbursements for civil works (procured under ICB) and consulting services will utilize the direct payment procedures defined in ADB's *Loan Disbursement Handbook*. Disbursement procedures are in Appendix 10 and disbursement projections by years are in Appendix 11.

VIII. PROJECT MONITORING AND EVALUATION

23. The PMU-3, assisted by the consultants, will establish systematic project performance monitoring and analysis throughout the life of the Project and integrate it with the existing management information system. Initially, the monitoring system will develop and conduct sample surveys to establish baseline data for subsequent performance monitoring, and will establish pre-project social and economic living conditions for the direct project beneficiaries. A second survey will be carried out on project completion and a third survey after a period of not less than 5 years after project completion. The baseline and impact surveys will include appropriate control areas and will assess all interventions under the Project, including resettlement and other safeguard interventions that affect the livelihood of project beneficiaries. In addition, a set of indicators reflecting transport costs, tariffs, and mobility will be developed to assess the effects of improved access to the area. District indicators will include agricultural productivity, economic activity, and health and education indicators. The impacts of development on the poor resulting from improved road access will receive particular attention.

24. In addition to regular reviews by ADB and the Government of Australia, a midterm review of project implementation will be carried out. At critical periods during implementation of the RPs and EMPs, ADB's resettlement and environment specialists will join the reviews. Representatives of ADB, and the Government of Australia, and the Government of Cambodia will take part in the review. The review will allow for any necessary midcourse corrections.

IX. REPORTING REQUIREMENT

25. Regular progress reports on the Project will be prepared by the DDIS consultants, reviewed by the PMU-3, and submitted by the PMU-3 to ADB and Government of Australia every

quarter. Progress reports will include a description of the physical progress, status of implementation of resettlement plans, status of work subject to provisions of the EMP, procurement and contractual status, and highlights of any implementation issues. The progress reports will also contain a summary of project accounts, including details of the latest project expenditures and contract amounts. These reports will include an evaluation of progress in implementing the Project. Samples of these reports are at Appendix 12. Within 3 months of physical completion of the Project, the IA will furnish to ADB and Government of Australia a project completion report covering details of project implementation, costs, and an evaluation of the Project's success in meeting performance targets. A sample of this project completion report is at Appendix 13.

X. AUDITING REQUIREMENTS

26. The PMU-3 will maintain separate records and accounts adequate to identify the goods and services financed from the proceeds of the project loans and grants, financing resources received, expenditures incurred for the Project, an audit of resettlement expenditures, and use of local funds. Within 6 months of the close of the each year, the government will submit audited annual project accounts to ADB, which provide a detailed description of the source of funds and expenditures made. Annual project accounts will be audited by an auditor acceptable to ADB, and the auditor's terms of reference will be approved by ADB before commencement of work. The annual audit will include an audit opinion on the imprest account and statement of expenditures procedure operations. The audit results will be submitted to ADB, and Government of Australia, annually. A sample audit report is at Appendix 14.

XI. MAJOR LOAN COVENANTS

27. In addition to the standard assurances, some project specific covenants are included in the Loan Agreement. These covenants are essential to ensure successful implementation and timely completion of the Project. The list of major loan covenants is in Appendix 15.

XII. KEY PERSONS INVOLVED IN THE PROJECT

A. Executing Agency

Ministry of Public Works and Transport

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XIII. ANTICORRUPTION

28. ADB's *Anticorruption Policy* (1998, as amended to date) was explained to and discussed with the government and EAs in Cambodia. Consistent with its commitment to good governance, accountability, and transparency, ADB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project. To support these efforts, relevant provisions of ADB's *Anticorruption Policy* are included in the loan regulations and the bidding documents for the Project. In particular, all contracts financed by ADB in connection with the Project shall include provisions specifying the right of ADB to audit and examine the records and accounts of the EA and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

29. To promote transparency and good governance, project-specific website will be set up to cover the Project. This website will include copies of all project-related documents, including information on how project funds are being used. Access to this websites will be made available to the public. MPWT will publicly disclose on their website information on how loan proceeds are being used, presenting procurement contract awards, including for each such contract: (i) the list of participating bidders, (ii) name of the winning bidder, (iii) basic details on bidding procedures adopted, (iv) amount of the contract awarded, (v) list of goods and/or services purchased, and (vi) intended and actual utilization of loan proceeds under each contract.

XIV. REFERENCE DOCUMENTS

30. In addition to all the documents in Appendices, other relevant reference documents are given in Appendix 16.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact</p> <ul style="list-style-type: none"> Promotion of economic growth in the project area and GMS by strengthening connectivity with neighboring countries and increasing competitiveness 	<ul style="list-style-type: none"> Average per capita income in project-affected provinces will reach the national average (Cambodia or Viet Nam, as appropriate) within 5 years of project completion Total trading volume between Cambodia and Viet Nam will double 5 years after project completion 	<ul style="list-style-type: none"> National and regional economic data and statistics International trade statistics Baseline and ex-post surveys of household income levels in project-affected areas Project completion report and benefit monitoring and evaluation 	<p>Assumption</p> <ul style="list-style-type: none"> GMS CBTA is fully implemented
<p>Outcome</p> <ul style="list-style-type: none"> Reduce transport times and costs, and induce more efficient movement of passengers and goods within the project area and between GMS countries 	<ul style="list-style-type: none"> Reduction in passenger and freight vehicle operating costs by an average of 30%, in real terms, within 5 years of project completion Traffic on improved roads increases by 40% from 2008 baseline within 2 years of project completion Cross-border processing times of under 0.5 hours for passengers and under 2.0 hours for freight by project completion Maintenance budgets in Cambodia based on market rates for activities 	<ul style="list-style-type: none"> Baseline traffic and transport cost data Traffic counts at border crossings and strategic points in the transport network Customs statistics Field surveys and interviews of road transport operators and road users Road maintenance budget allocation and expenditure reports 	<p>Assumptions</p> <ul style="list-style-type: none"> GMS CBTA is implemented at pilot sites Reciprocal operating permits are granted to commercial passenger and goods vehicles <p>Risks</p> <ul style="list-style-type: none"> Harmonized cross-border inspection procedures are not implemented effectively Lack of maintenance funds and capacity to plan and manage road maintenance effectively
<p>Outputs</p> <ol style="list-style-type: none"> Completion of the road and bridge improvements enabling unrestricted passenger and freight transport Border facilities constructed HIV/AIDS and trafficking awareness and prevention programs completed on the project road Cambodia Maintenance Demonstration Project Completed 	<ul style="list-style-type: none"> In Cambodia, improve 17.8 km of NR33; replace 24 bridges and culverts on NR33; and construct border facilities at Koh Kong and Preak Chak Finalization, approval, and implementation of resettlement plans and environmental management plans without delays Civil works contracts awarded within 9 months of invitation for bids Project-specific web pages 	<ul style="list-style-type: none"> Resettlement monitoring reports Civil works bid evaluation and award of contract reports Monthly and quarterly progress reports Project completion report 	<p>Assumptions</p> <ul style="list-style-type: none"> Procurement processes ensure bidders are qualified Quality management and cost control of civil works are effective Provincial authorities have the capacity to manage resettlement, environmental management, and social action plans

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
	<p>established and procurement information made available to the public.</p> <ul style="list-style-type: none"> Unexploded ordnance cleared prior to start of civil works Completion of civil works contracts on schedule, in compliance with conditions of contract and all defects rectified by end of defects liability period All vulnerable groups and contractor personnel have participated in HIV/AIDS and trafficking awareness and prevention programs Road safety audits undertaken during detailed design and road safety awareness programs undertaken during construction period Periodic and routine maintenance contracts awarded after competitive bidding and completed in Cambodia Market rates established for maintenance activities in Cambodia 		<p>Risks</p> <ul style="list-style-type: none"> Insufficient number of bids are received from qualified, eligible bidders Major risk of corruption and fraud in the procurement process in Cambodia Delays in completion of procurement or resettlement delay start of construction Increased construction and resettlement costs reduce the scope of work achievable within the Project Contractors fail to perform as required Increased number and severity of road accidents

Activities with Milestones	Inputs
<p>Cambodia</p> <p>1.1 Selection of detailed design and construction supervision consultant Target: Begin Q3 2007 and complete Q4 2008</p> <p>1.2 Preparation of detailed designs and bidding documents Target: Begin Q4 2008 and complete Q2 2009</p> <p>1.3 Bidding for civil works contractors Target: Begin Q2 2009 and complete Q4 2009</p> <p>1.4 Civil works for road and bridges Target: Begin Q4 2009 and complete Q3 2011</p> <p>1.5 Implement resettlement plans and project specific gender strategy Target: Begin Q4 2008 and complete Q2 2010</p> <p>2.1 Civil works for cross-border facilities Target: Begin Q3 2009 and complete Q2 2011</p> <p>3.1 Implement HIV/AIDS and trafficking awareness and prevention programs Target: Begin Q4 2009 and complete Q3 2011</p> <p>4.1 Prepare maintenance demonstration component Target: Begin Q1 2009 and complete Q3 2009</p> <p>4.2 Implement maintenance demonstration component Target: Begin Q4 2009 and complete Q2 2012</p>	<p>Cambodia</p> <p>Consulting \$2.2 million Government of Australia Services</p> <p>Civil Works \$7.0 million ADB \$5.6 million Government of Australia \$3.7 million Government of Cambodia</p>

Activities with Milestones	Inputs
5.1 Project monitoring and evaluation Targets: Initial baseline survey within 18 months of loan effectiveness Second survey immediately prior to project completion Third survey to be conducted 5 years after project completion	

ADB = Asian Development Bank, CBTA = Cross-Border Transport Agreement, GMS = Greater Mekong Subregion, km = kilometer, NR = national road (Cambodia), Q = quarter.

Note: ADB component refers to components to be funded by ADB and the Government of Australia.

SUMMARY OF PROPOSED CIVIL WORKS

Project Scope

1. The scope of the GMS-SCC Project extends from Kampot in Cambodia, to the Cambodia–Viet Nam border at Preak Chak–Xa Xia, to Ca Mau in Viet Nam. Under the Cambodian component, the Project will improve and rehabilitate sections of national road (NR) 31 and NR33. This will include periodic maintenance work on the Kampot–Kampong Trach section, upgrading of the Kampong Trach–Preak Chak section, and routine maintenance works of NR31 between Kampong Trach and the junction with NR3. Border facilities at the Cambodia–Thai border at Koh Kong, and the Cambodia–Viet Nam border at Preak Chak–Xa Xia,¹ will be improved under the Project.

1. Road Improvement and Cross-Border Facility

2. In the Project, improvement works are divided into three subprojects:

- (i) improvement of NR33 between Preak Chak and Kampong Trach (17.8 kilometers [km]; see *footnote 1 of main text*);
- (ii) repair and widening of bridges between Kampong Trach and Kampot (37 km), and
- (iii) development of new cross-border facilities at Preak Chak and Koh Kong.

3. NR33 will be improved to the required standard for a national road [i.e., 2 x 3.5 meter (m) wide traffic lanes, 2 x 1.5 m wide sealed shoulders, and 2 x 0.5 m wide verges] from the steel bridge just before the Viet Nam–Cambodia border within Cambodian side (see *footnote 1 of main text*) to the intersection with NR31 in Kampong Trach. The civil works comprise widening of the existing embankment, construction of subbase and base courses, and application of a double bituminous surface treatment. Drainage structures will be replaced or widened as needed. The intersection with NR31 will be enlarged to accommodate turning traffic and improve safety. Apart from the intersection, no realignment is required.

4. Sections of NR33 between Kampong Trach and Kampot have been improved under the World Bank Flood Rehabilitation Project. Two of the existing Bailey bridges are to be replaced—these being a bridge near Kampot that collapsed in 2006, with government funding, and the short bridge in Kampong Trach, which has been proposed for funding from the Government of Japan. The remaining 24 bridges and culverts between Kampong Trach and Kampot are narrow and in poor condition. These bridges will be repaired and widened or replaced, depending on the findings and recommendations of the consultants providing detailed design and implementation services.

5. New cross-border facilities will be constructed at Preak Chak at the Cambodia–Viet Nam border, and Koh Kong at the Cambodia–Thailand border. At Preak Chak, the existing buildings will be demolished and a 4 hectare (ha) site will be developed between the neutral zone and Preak Chak village. New immigration, customs, CAMCONTROL,² and quarantine, administration and staff quarters buildings will be constructed totaling about 5,000 square meters. Parking areas and access roads will be constructed on either side of NR33 to separate truck activities and freight inspections from buses and cars. The new facilities for the

¹ Also known as Lork–Xa Xia or Preak Chak–Ha Tien.

² The Cambodia Import Export Inspection and Fraud Repression Department (CAMCONTROL) is responsible for inspecting traded goods to ensure that they are legal and meet required quality standards.

Cambodian side of the Koh Kong border crossing will be located immediately behind the existing border post, in a site about 100 m x 60 m. The land belongs to the existing border post facilities and the site lies between the border and a hotel/casino complex built in Cambodia. Adequate lighting, power supply, water and sanitation services, and truck weighing facilities will be provided at both new facilities.

2. Road Maintenance Component

6. One of the major issues in the road sector in Cambodia is inadequate maintenance of road assets. The Project will contribute to the development of road maintenance by providing technical support to the Ministry of Public Works and Transport (MPWT) as follows:

- (i) **Maintenance planning.** The identification of the most effective maintenance regime on a road requires an understanding of the tools available to analyze the options. The objective is to determine the most economically efficient regime that will keep the road in a maintainable condition throughout its economic life.
- (ii) **Maintenance implementation.** Of the maintenance undertaken to date, most has been implemented through force account using the resources of the Provincial Departments of Public Works and Transport (PDPWTs). It has been proposed that this system needs to be changed to implementation through competitively bid contracts to improve efficiency and to determine market rates for work, instead of negotiated rates.

7. The condition of NR33 between Kampong Trach and Kampot varies: the first 14 km from Kampong Trach and short sections towards Kampot have been improved under the World Bank Flood Rehabilitation Project. The bridges and culverts will be repaired and widened or replaced as part of the road improvement works described in paragraph 4 above. The remaining length (about 23 km) requires a program of heavy periodic maintenance to restore it to a maintainable condition. The entire length of NR33 from Preak Chak to Kampot will then require a sustainable program of routine maintenance, and periodic maintenance in future.

8. The Project will include a component for maintenance planning and implementation of contracts for periodic and routine maintenance for the Kampot and Kampong Trach road. Under consulting services for the Project, tasks will be included to (i) undertake a condition survey of NR33, (ii) identify potential maintenance regimes, (iii) determine the regime that is economically optimum using standard software packages such as the Highway Design and Maintenance Model, (iv) undertake an assessment of the capacity of existing Cambodian contractors to undertake contracts for routine and periodic maintenance, (v) prepare model bidding documents for routine and periodic maintenance for use under competitive bidding procedures, and (vi) based on the results of (iii) and (iv) identify and prepare contract documents to implement the first 3 years of the optimum maintenance regime.

9. The output of the above component will be a demonstration project on (i) maintenance planning, (ii) implementation of routine and periodic maintenance through competitive bidding contracts, (iii) exposure of Cambodian contractors to contracts for routine and periodic maintenance, (iv) exposure of MPWT and PDPWT staff to maintenance planning and implementation of this plan through competitively bid contracts, and (v) establishment of market rates for maintenance work that can be used to evaluate and standardize maintenance costs.

SUMMARY RESETTLEMENT PLAN

A. Scope of Land Acquisition and Resettlement

1. A full resettlement plan (RP) has been prepared based on the preliminary design available: for national road (NR) 33 in Cambodia. Here, 337 households will be affected by the Project. This will require relocation of 97 houses and 44 small businesses and shops. Eight households from the expansion of border facilities will lose their entire total productive landholdings.

B. Legal and Policy Framework

2. The policy framework and entitlements of the Project have been based upon the relevant laws and regulations in Cambodia, and the Asian Development Bank's (ADB's) *Involuntary Resettlement Policy* (1995), *Policy on Indigenous Peoples* (1998), *Policy on Gender and Development* (1998), *Accountability Mechanism* (2003), and *Public Communications Policy* (2005). In Cambodia, the Land Law, 2001, is the relevant legal basis for resettlement, and procedures on ADB-financed projects are generally consistent with ADB's policies. Key strategies to reconcile the differences are included in the RP. Policies adopted in the project RP will supersede the provisions of laws and regulations currently in force in Cambodia, wherever a gap exists.

C. Project Entitlements

3. The overall objective of the Project with respect to land acquisition and resettlement is to ensure that all people affected by the Project, irrespective of tenure status, are able to maintain and, preferably, improve their pre-project living standards and income-earning capacity through compensation for the loss of physical and nonphysical assets and, as required, other assistance and rehabilitation measures. The absence of a formal legal title to land is not a bar to project entitlements. All compensation is based on the principle of replacement cost. Table A3 presents the summary entitlements.

D. Ethnicity, Vulnerability, and Gender Issues

4. There are no ethnic minorities in the project area in Cambodia.

Table A3: Summary Entitlement Matrix

Impact	Project Entitlements
1. Permanent acquisition of land	Replacement land or cash at replacement cost (which is the current market prices for land of similar type and productive capacity). Cash assistance for loss of land use to APs within the corridor of impact and ROW. Compensation at replacement cost for non-land assets within the corridor of impact and ROW.
2. Structures, crops, and trees (irrespective of tenure status)	Landless APs will be provided with land by the Government free of charge. All owners of structures will be compensated at replacement cost based on current market prices of materials, materials transport, and labor without deduction for depreciation or salvageable materials. Unharvested crops will be compensated based on current market value while trees will be paid based on type, age, and productive capacity.
3. Temporary impacts (during construction)	Payment of rent for the use of land during temporary use. Compensation for non-land assets at replacement cost caused by construction activities. Return of land to pre-project conditions or better.
4. Relocating APs and APs losing more than 10% of total productive assets	Various allowances (in cash or kind) will be provided such as materials transport allowance, cost of living allowance, special cash assistance to poor and vulnerable APs. Appropriate income restoration program will be designed and implemented in consultation with APs during implementation.

Impact	Project Entitlements
5. Business Disruption	Unregistered business, cash assistance for actual amount of income if it can be confirmed, or equivalent to a living allowance of 20 kilogram rice per 5 persons per month from 1–2 months. For registered business, cash compensation equivalent to the daily net income (as reflected in tax receipts) multiplied by the days of business disruption. For employees/laborers, cash assistance for lost wages or salary equal to current wages or salary for each day APs cannot work while business is reestablishing.

AP= affected person, ROW = right-of-way.
Source: Asian Development Bank staff.

E. Resettlement and Income Restoration Strategies

5. A special feature in Cambodia is that, while all affected persons (AP) who must move out of the corridor of impact of the project road will be compensated for loss of land use in the corridor of impact, they have the option of moving back into the remaining right-of-way (ROW) if there is sufficient land available, or completely out of the ROW. They will be permitted to stay within the remaining ROW for at least 5 years or longer if the Government does not require the ROW for road works, but will be restricted from building permanent structures (i.e., using materials such as concrete). When the affected persons decide to move, whether for this Project or in the future, they will be compensated for loss of ROW land use and all other entitlements in accordance with the RP. Forty affected persons who have no other land outside the ROW, and are thus landless, will be given replacement land free of charge. The main income impacts in Cambodia will be from displaced businesses, but most impacts will be minimized by moving nearby within the remaining ROW.

F. Institutional Arrangements

6. In Cambodia, the Social and Environment Unit of the Ministry of Public Works and Transport (MPWT) with guidance from the Interministerial Resettlement Committee (IRC) at the Ministry of Economy and Finance (MEF) will be responsible for updating, implementing, and internal monitoring of resettlement activities. Project supervision consultants will be engaged for both supervision and capacity building to ensure the effective updating and implementation of resettlement activities. The project supervision consultant team will include one international resettlement specialist and one national resettlement/gender specialist. An independent monitoring organization (IMO) will be recruited and mobilized before commencement of any resettlement activities, including the detailed measurement survey. Resettlement subcommittees at the provincial and district levels will be established during loan implementation, and will include women members.

G. Public Consultation and Disclosure

7. The APs have been closely consulted and provided with opportunities to participate during the resettlement planning to date, and this will continue during detailed planning and implementation of land acquisition and resettlement. The Executing Agency (EA) and project management unit (PMU3) will oversee the activities of resettlement committees at the provincial, district, and commune levels to carry out information dissemination and public consultation programs during all stages of the land acquisition and resettlement process; the detailed design and implementation services consultants and IMO will participate in the preparation and monitoring of the implementation of these programs. Affected persons have participated in public information meetings, and in inventory of losses and socioeconomic surveys. The draft RP was disclosed to affected persons during 2–6 July 2007, and final RP will be placed in project and commune offices.

H. Complaints and Grievances

8. The Project will ensure that the APs have clear and accessible mechanisms and procedures to address complaints and grievances about any aspect of land acquisition, compensation, and resettlement. In both countries, grievance redress mechanisms include: (i) conciliation and resolution of complaints and grievances at the local level, if possible; (ii) appeal to district and/or provincial authorities if the grievance is not resolved at the local level or if the affected person is not satisfied with a decision; and (iii) final appeal through the courts. Affected persons may seek assistance to lodge a complaint or grievance from third parties, and there will be no charges to affected persons lodging a complaint or grievance. The IMOs will monitor all aspects and activities involved in the lodging, hearing, and resolution of complaints and grievances.

I. Monitoring and Evaluation

9. The Project will ensure internal and external monitoring of land acquisition, compensation, and resettlement activities. The EA and PMU3 are responsible for internal monitoring. The IMOs will conduct external monitoring and evaluation, focusing on the social impacts of the Project and whether APs are able to improve or at least restore their pre-project living standards, incomes, and productive capacity. Sample surveys of APs will be carried out biannually during implementation of the RP, as well 6–12 months after completion of all resettlement activities.

J. Cost Estimates

10. The total cost for resettlement is estimated at \$0.99 million. It covers costs of compensation, resettlement, rehabilitation, administration costs, internal and external monitoring, and physical and price contingencies. Compensation rates have been determined through replacement cost studies which will be updated during RP updating. The governments have committed to ensuring timely provision of counterpart funds for resettlement and to meeting any unforeseen obligations in excess of the RP budgets to satisfy resettlement objectives.

K. Implementation Schedule

11. The RP will be updated following detailed design and will be disclosed to APs prior to submission to ADB for review and approval. All resettlement activities will be coordinated with the civil works schedules. Civil works contractors will not be issued a notice of possession for a geographic area until, in accordance with the approved the RP, (i) compensation payment and relocation to new sites has been satisfactorily completed for that area, (ii) agreed rehabilitation assistance is in place, and (iii) the area is free of all encumbrances.

DETAILED COST ESTIMATES AND FINANCING PLAN

Table A4.1: Detailed Cost Estimate by Expenditure Category
(\$ million)

Item	Costs
A. Investment Costs^a	
1. Civil Works	10.92
2. Resettlement	0.93
3. Consultants	
a. Project Management	2.22
b. Resettlement Monitoring	0.06
4. Taxes and Duties	1.33
Subtotal (A)	15.46
B. Recurrent Costs	
1. Administration Costs	0.34
Subtotal (B)	0.34
Total Base Cost	15.80
C. Contingencies	
1. Physical ^b	1.24
2. Price ^c	1.32
Subtotal (C)	2.56
D. Financing Charges During Implementation	
1. Interest During Implementation	0.14
2. Administration Fee	0.20
Subtotal (D)	0.34
Total Project Cost (A+B+C+D)	18.70

^a In mid-2006 prices.

^b Physical contingencies computed at 10% for civil works.

^c Price contingencies computed as follows: at 11% for civil works based on an international cost escalation factor of 1.9% and a domestic cost escalation factor of 3.5%; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Including \$500,000 and \$200,000 from the Government of Australia to cover the administration fee.

Source: Asian Development Bank estimates.

Table A4.2: Cambodia - Detailed Cost Estimate by Financier
(\$ million)

Item	Cost	ADB		Government of Australia		Government of Cambodia	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs^a							
1. Civil Works	10.92	5.40	49.45	4.57	41.85	0.95	8.70
2. Resettlement	0.93	0.00	0.00	0.00	0.00	0.93	100.00
3. Consultants							
a. Detailed Design and Implementation Services	2.22	0.00	0.00	2.22	100.00	0.00	0.00
b. Resettlement Monitoring	0.06	0.00	0.00	0.00	0.00	0.06	100.00
4. Taxes and Duties	1.33	0.00	0.00	0.00	0.00	1.33	100.00
Subtotal (A)	15.46	5.40	34.93	6.79	43.92	3.27	21.15
B. Recurrent Costs							
1. Project Administration	0.34	0.30	88.24	0.00	0.00	0.04	11.76
Subtotal (B)	0.34	0.30	88.24	0.00	0.00	0.04	11.76
Total Base Cost	15.80	5.70	36.08	6.79	42.97	3.31	20.95
C. Contingencies	2.56	1.16	45.31	1.01	39.45	0.39	15.23
D. Financing Charges During Implementation	0.34	0.14	41.18	0.20	58.82	0.00	0.00
Total Project Costs	18.70	7.00	37.00	8.00^b	43.00	3.70	20.00
% Total Project Costs	100		37		43		20

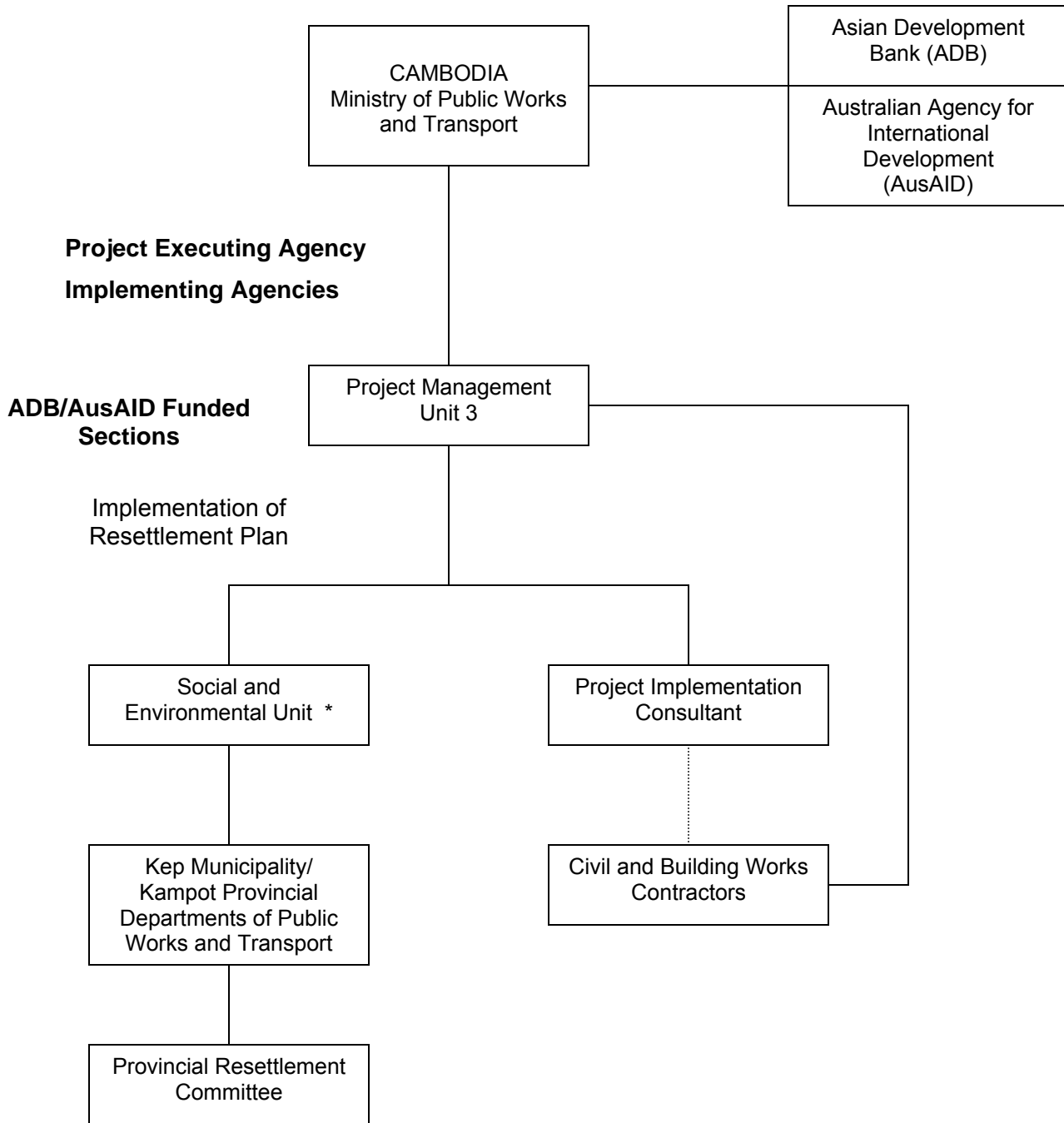
ADB = Asian Development Bank.

^a In mid-2006 prices.

^b This amount also includes ADB's administration fee, audit cost, bank charges and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant contribution by the Government of Australia. In this case, Australia will provide \$200,000 specifically for the administration fee.

Source: ADB estimates.

PROJECT ORGANIZATION CHART



Notes: ADB/AusAID Funded Sections' refers to the Project component funded by ADB and the Government of Australia.

* with guidance from IRC

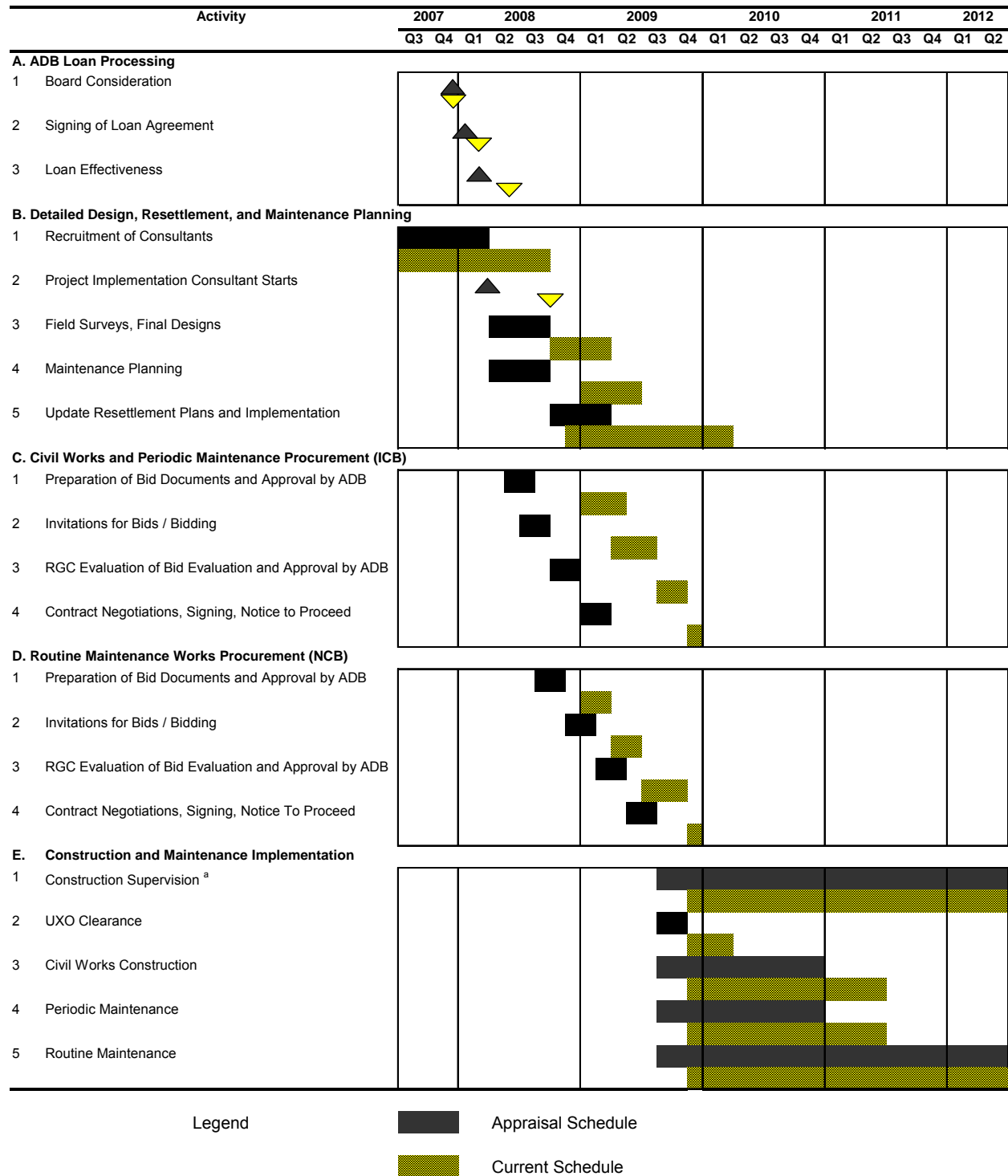
Source: ADB.

IMPLEMENTATION SCHEDULE

Project implementation Schedule

GMS Southern Coastal Corridor Project

Loan 2373-CAM (SF)



TERMS OF REFERENCE FOR CONSULTING SERVICES

Consulting Services for Detailed Design and Implementation Services

1. Introduction

1. To assist in the implementation of the Greater Mekong Subregion Southern Coastal Corridor (GMS-SCC) Project, it is intended that part of the proceeds of the Government of Australia grant will be applied to eligible payments for a single consulting services contract for the detailed design and implementation services (DDIS) consulting services. The DDIS services will cover engineering investigations, detailed design, resettlement implementation, bid documents, procurement, and construction supervision. The Ministry of Public Works and Transport (MPWT) will be the Executing Agency (EA) for the Project. Project Management Unit 3 (PMU3) within MPWT will be responsible for implementation of the Project.

2. Scope of Work

2. The scope of work of the DDIS consulting services will include the following:
- (i) to assist the PMU3 to confirm the scope of improvements to be funded under the Project;
 - (ii) to prepare detailed engineering and architectural designs, cost estimates, and bid documents suitable for either international competitive bidding (ICB) or national competitive bidding (NCB), as appropriate to the estimated cost, and to assist in the evaluation of bids;
 - (iii) to assist the Social and Environment Unit in the finalization and implementation of the resettlement plan;
 - (iv) to function as “the Engineer” in administering all civil works contracts and ensuring completion of construction in accordance with the contract provisions;
 - (v) to assist the Social and Environment Unit in the implementation of an HIV/AIDS/sexually transmitted infection and trafficking awareness and prevention program;
 - (vi) to assist the PMU3 in ensuring compliance with Asian Development Bank’s (ADB) Environmental Assessment Guidelines¹ and environmental mitigation plans;
 - (vii) to assist MPWT and Provincial Department of Public Works and Transport (PDPWTs) in the planning and implementation of a maintenance demonstration project on national road (NR) 33, including periodic maintenance of existing road sections and a sustainable routine maintenance program for the entire NR33; and
 - (viii) to provide on-the-job training to MPWT staff in civil works construction administration, implementation of resettlement plans, and monitoring of environmental management plans.

3. Reports

3. The consultant will submit the following reports in five copies to the PMU3 and three copies each to ADB and the Government of Australia at the times indicated in Table A7.

4. The consultant will provide other reports necessary to support project planning, approval, and implementation activities, including road conditions, traffic, bridge and culvert

¹ ADB. 2003. *Environmental Assessment Guidelines*. Manila.

condition, economic evaluation, safety audits, resettlement plans, ethnic minorities development plans, environmental management plans, soils and materials investigations, etc.

Table A7: DDIS Reporting Requirements

Report	Required by^a
Inception Report	end of month 1
Progress Reports	monthly
Cross-Border Facility Concept Report	end of month 3
Prequalification Documents	end of month 4
Draft Final Engineering Designs and Bid Documents	end of month 6
Resettlement Plan	end of month 6
Final Engineering Designs and Bid Documents	end of month 8
Maintenance Component Report and Bid Documents	end of month 8
Project Completion Report	end of services

DDIS = detailed design and implementation supervision.

^a From date of commencement of services

Source: Asian Development Bank.

4. Staffing

5. The services will require about 409 person-months of input, comprising about 47 person-months from international experts and about 362 persons-months of national experts. Expertise will be required in project management, procurement, construction supervision, surveying, quantity surveying, materials, and project management systems; highway, bridge (including hydrology and drainage engineering), and pavement design; environmental impact management, social impact (including social development, gender, HIV/AIDS, and human trafficking) and resettlement planning; architecture and electrical and mechanical engineering; maintenance planning and economics; road safety awareness and audits; and project monitoring and evaluation.

PROCUREMENT PLAN

A8.1: Project Information

Country	Kingdom of Cambodia
Name of Borrower	Government of Cambodia
Project Name	Greater Mekong Subregion Southern Coastal Corridor Project
Loan Reference	Loan: 2373-CAM(SF)
Date of Effectiveness	tbd
Amount \$:	ADB loan \$7 million, Government of Australia grant \$7.8 million.
Of which Committed, \$	ADB loan \$7 million, Government of Australia grant \$7.8 million.
Executing Agency:	Ministry of Public Works and Transport
Approval Date of Original Procurement Plan	5 November 2007
Approval of most recent Procurement Plan	
Publication for Local Advertisements	June 2007
Period Covered by this Plan	2007–2008

ADB = Asian Development Bank, tbd= to be determined.

A8.2: Procurement Thresholds, Goods and Related Services, Works, and Supply and Installation

Procurement Method	To be used above (Value \$)
ICB Works	>1 million
NCB Works	<1 million

ICB = international competitive bidding, NCB = national competitive bidding.

A8.3: Procurement Thresholds, Consultants Services

Procurement Method	To be used above (Value \$)
Quality-and Cost-Based Selection	>200,000
Least-Cost Selection	<100,000
Exceptional Methods	
Independent resettlement monitor consultants to be recruited using Government of Cambodia recruitment procedures (fully funded by government)	Government guidelines will apply

A8.2: List of Contract Packages, Funding Source, Mode of Procurement , Schedule

Reference	Contract Description	Estimated Cost (\$ million)	Source of Funds	Procurement Method	Expected Date of Advertisements	Prior Review	Expected Date of Award (Appraisal)	Revised Date of Award
A. Civil Works^a								
CW1	Improvements to NR33	3.48	ADB/RGC	ADB-ICB	Dec-08	Yes	Mar-09	Sep-09
CW2	Cross-Border Facilities (Lork)	1.7	Government of Australia / RGC	ADB-ICB	Dec-08	Yes	Mar-09	Sep-09
CW3	Cross-Border Facilities (Koh Kong)	1.7	Government of Australia / RGC	ADB-ICB	Dec-08	Yes	Mar-09	Sep-09
CW4	Kampong Trach–Kampot Bridges and Culverts	1.47	ADB/RGC	ADB-ICB	Dec-08	Yes	Mar-09	Sep-09
CW5	Maintenance Contracts (multiple)	5.01	ADB/ Gov't of Australia / RGC	ADB-ICB/NCB	Dec-08	Yes	Aug-09	Dec-09
Subtotal (A)		13.35						
B. Resettlement and Social Mitigation								
R1	Payment of resettlement and social allowances, entitlements, and compensation and funding income restoration program	1.1	RGC	Government Guidelines/ Resettlement Plan	Not applicable	No ^b		
C. Consulting Services								
CS1	Detailed design and implementation services	2.22	Government of Australia	ADB Guidelines– QCBS	Jun-07	Yes	Mar-08	Sep-08
CS2	Independent resettlement monitor	0.06	RGC	Government Guidelines	Jun-08	Yes	Oct-08	Mar-09
Subtotal (C)		2.28						
Total		16.74						

ADB = Asian Development Bank, RGC = Royal Government of Cambodia, CW = civil works, CS = consulting services, ICB = international competitive bidding, NCB = national competitive bidding, NR = national road, QCBS = quality and cost-based selection, R = resettlement.

Note: Totals may not be exact because of rounding.

^a Including physical contingencies and price escalation, taxes, and duties.

^b Payment of compensation and allowances arising from resettlement activities will be in accordance with procedures set out in ADB approved resettlement plans.

Source: Asian Development Bank estimates.

PROCUREMENT AND RECRUITMENT PROCEDURES

A. Civil Works

1. For both international competitive bidding (ICB), the procurement documentation will be based on ADB's standard bidding documents for the single stage, one envelope system, with post-qualification. For each ICB contract, a full set of bid documents will be submitted to ADB for review and approval before issuance to bidders. For national competitive bidding (NCB) contracts, the first draft English language version of the procurement documents will be submitted for ADB review and approval regardless of the estimated contract amount; for subsequent contracts, ADB will review the documents post-award. ADB-approved procurement documents will be used as a model for all succeeding NCB contracts financed by ADB for the Project. For all contracts, ADB will review the bid evaluation report and proposal for award of contract on a prior review basis.

B. Recruitment of Consultants

2. For the Government of Australia funded contract for DDIS, quality and cost-based selection will be applied. Full technical proposals will be required. To calculate the firms' total scores, the technical proposals will be given a weight of 80% and the financial proposals will be given a weight of 20%. For contracts fully funded by the Government, recruitment documents and procedures will follow government guidelines.

DISBURSEMENT PROCEDURES

Reference: ADB's Loan Disbursement Handbook dated January 2007

1. Procedures for withdrawal of loan proceeds are standardized to facilitate disbursements under most loans. Disbursement procedures consist of four major types, described briefly below:

A. Direct Payment Procedure (page 24 of the Handbook)

2. This procedure is where ADB, at the borrower's request, pays a designated beneficiary directly.

1. Requirements

- (i) A signed withdrawal application (*form ADB-DRP/RMP in Appendix 5*) must be submitted to ADB together with a summary sheet (*form DRPSS in Appendix 8*) and the required supporting documents.
- (ii) A separate withdrawal application is required for each different currency.

2. Supporting Documents

3. The following supporting documents must be submitted to ADB with the withdrawal application:

- (i) All cases require a contract or confirmed purchase order (PO), if not submitted earlier to ADB, indicating the amount and date due;
- (ii) payment of goods requires the supplier's invoice, bill of lading, other similar documents;
- (iii) payment of services requires the consultant's claim or invoice;
- (iv) payment of civil works requires the claim or invoice and a summary of work progress certified by the project engineer approved by the borrower's authorized representative.

B. Commitment Procedure (page 26 of the Handbook)

4. This procedure is where ADB, at the borrower's request, provides an irrevocable undertaking to reimburse a commercial bank for payments made or to be made to a supplier against a letter of credit (LC) financed from the loan account.

1. Requirements

- (i) A signed application for issuance of commitment letter in the form ADBCL (*see Appendix 6*) is submitted to ADB together with a summary sheet for the commitment letter (*see Appendix 9*) and the required supporting documents. A separate application is required for each currency in which a commitment letter is requested.

2. Supporting Documents

5. Supporting documents to be submitted to ADB with the application for commitment letter include:

- (i) a contract or confirmed PO, if not yet submitted earlier to ADB; and

- (ii) two signed copies of the LC against which ADB's commitment letter is requested.

a. Amendments to the LC

6. The borrower requests ADB's approval of amendments to the LC as soon as the LC amendment is obtained from the LC issuing bank (see *Appendix 17*). Copy of the signed amendment must be attached to the request.

7. ADB communicates its approval to the nominated commercial bank and the borrower by the form shown in *Appendix 18* or by authenticated SWIFT, tested telex, or a formal letter of approval.

8. ADB can allow the borrower, in urgent cases, to send its application for approval to amend the LC by fax. The message is to include loan number, commitment letter number, LC number, and nature and reason for the amendment. Copy of the LC amendment should be attached to the application.

9. The message must state that the amendment has been made by the LC issuing bank and that the application for approval of amendment of LC and a copy of the LC amendment are being airmailed to ADB.

10. Amendments to the LC for: (i) extending the expiry date and shipping dates **up to the loan closing date**; and (ii) other amendments except those mentioned in para. 8.18 need not be submitted to ADB for approval. The borrower merely informs ADB using the standard form (see *Appendix 19*) and submits a signed copy of the amendment. This will ensure ADB's prompt payment of claims received from the nominated commercial bank.

b. Amendments requiring ADB's prior approval

11. ADB's prior approval is required for amendments to the LC involving changes such as:

- (i) extension of the LC expiry date beyond the loan closing date of the loan account, as specified in the loan agreement, or otherwise extended by ADB;
- (ii) change in the LC's value or currency;
- (iii) description or quantity of goods;
- (iv) country of origin;
- (v) beneficiary; and
- (vi) terms of payment.

12. The nominated commercial bank(s) are to copy all proposed amendments to ADB for its information or approval.

C. Reimbursement Procedure (page 30 of the Handbook)

13. This procedure is one where ADB pays from the loan account to the borrower's account or, in some cases, to the project account for eligible expenditures, which have been incurred and paid for by the project out of its budget allocation or its own resources.

14. Under this procedure, ADB's payments are made only to the borrower or EA and not to a third party, and this procedure normally requires submission of full supporting documentation.

1. Requirements

- (i) A signed withdrawal application (see form ADB-DRP/RMP in Appendix 5) must be submitted to ADB together with a summary sheet (see form ADB-RMP-SS in Appendix 8) and the required supporting documents.
- (ii) A separate withdrawal application must be submitted for each currency.
- (iii) A separate summary sheet must also be submitted for each loan category or subcategory grouping items claimed by contract number.
- (iv) The expenditures should have been incurred and paid for by the borrower out of its own fund sources.

2. Supporting Documents

- (i) ADB is to receive the withdrawal application with the contract or confirmed PO, if not yet submitted to ADB;
- (ii) a copy of the invoice/bill/claim and delivery receipt; and
- (iii) the evidence or receipt of payment showing the amount paid, the date of receipt, and the payee.

D. Imprest Fund Procedure (page 37 of the Handbook)

155. This is a procedure where ADB makes an advance disbursement from the loan account for deposit to an imprest account to be used exclusively for ADB's share of eligible expenditures. The following conditions must exist before the borrower is allowed to use the procedure: (i) need for the procedure, (ii) borrower's capability, and (iii) audit arrangements.

1. Requirements

- (i) A signed withdrawal application for imprest account (see Appendix 7) must be submitted to ADB together with a statement of the estimated ADB share of project expenditures on form ADB-IFP-EES (see Appendix 29).

16. The borrower is required to open, for the exclusive use of the project, a separate bank account for depositing advances. The imprest account shall be maintained in current account only and opened in the borrower's name. The Account may be opened at the Central Bank of the borrower's country or in a commercial bank the borrower designates, provided that the institution chosen is capable of executing foreign exchange and local currency transactions, opening letters of credit and handling a large volume of transactions, and issuing detailed monthly bank statements promptly.

17. The ceiling and initial amount of the imprest account will be \$5 million.

2. Liquidation/Replenishment

18. As eligible expenditures are incurred and paid from the Account, the borrower requests liquidation/replenishment of the Account by submitting a withdrawal application and the applicable summary sheet using the form in *Appendix 8* if full documentation is required or *Appendix 22 to 25* if SOE procedure is approved. The corresponding bank statement and reconciliation statement (see *Appendix 30*) should also be submitted with the application. Withdrawal application must be prepared in the currency of the Account.

E. Instructions for Withdrawals

19. Before the first withdrawal application (W/A) is submitted to ADB, the name of the authorized representative(s) must be provided to ADB, including the authenticated specimen signatures of the representative(s).

20. The W/A should be signed by the authorized representative(s), sequentially numbered and should not exceed five digits (00001, 00002, etc). The cover letter of the W/A should indicate that taxes and duties are not included in the amount for disbursement being requested and are paid by the Borrower.

21. For all withdrawals, ADB must receive a withdrawal application in the prescribed form. A withdrawal application is a written request from the borrower to ADB to pay funds against the borrower's loan account. The application must reach ADB before the loan closing date. The W/A forms and summary sheets to be used vary for the different procedures. A separate W/A for each currency requested should be submitted. A withdrawal application consists of:

- (i) the application itself in letter form (see Appendixes 5, 6, and 7 for sample formats);
- (ii) summary sheet(s) for each category claimed (see Appendixes 8 and 9 for sample formats); and
- (iii) supporting documents, if required (see Appendix 10).

22. Before a disbursement is made for any contract issued by the Borrower, ADB has to prepare a Procurement Contract Summary Sheet (PCSS). Copies of all signed contracts and supporting documents should be sent to ADB as soon as they are available. This is a basis for ADB to monitor performance against the projected annual activities made at the start of the year. A PCSS number will be assigned by ADB for each contract received and these data will be relayed to the EA. The PCSS serves as an acknowledgement by ADB that the award of a contract has been checked and has been found to comply with ADB's procurement guidelines. It also serves as a basis for disbursement. The PCSS is also numbered sequentially, not exceeding four digits, i.e. 0001, 0002, etc. The PCSS consists of the following basic information:

- (i) ADB Contract No. or the PCSS No.
- (ii) Date of ADB approval of the Award of Contract
- (iii) Date of Contract Approval by the EA
- (iv) Mode of Procurement
- (v) Name of contractor or supplier
- (vi) Terms of payment and currency of contract
- (vii) Component to which the expenditures will be charged

23. Without the PCSS, ADB's Controller's Department could not proceed with the processing of payment for the W/A. When an amendment or a variation of a contract is made, a copy of the variation order should also be sent to ADB, for updating of the PCSS.

24. To avoid delay in the processing of payment, the PCSS No. should be indicated in the W/A to be submitted by the EA. The PCSS No. should be shown in the summary sheet.

25. The W/A to be submitted to ADB must be the signed original copy to the attention of Mr. Gail Oliver Dumagas, CTLA-4 and copied to Director, SEID.

DISBURSEMENT PROJECTION BY YEARS

Loan and Grant Disbursement Projections [includes interest during construction (IDC) and service charges]

Asian Development Fund (ADF) (grace)	1%						
	2008	2009	2010	2011	2012	2013	Totals
Disbursement Projections	15%	35%	45%	5%	0%	0%	100%
ADF	1.05	2.45	3.15	0.35	0	0	7.00
AusAID (Grant)							
Consulting Services	20%	30%	30%	20%	0%	0%	100%
	0.5	0.7	0.7	0.5	0.0	0.0	2.4
Civil Works	0.8	1.9	2.5	0.3	0.0	0.0	5.6
Total	1.3	2.7	3.2	0.8	0.0	0.0	8.0
IDC							
ADF	0.0053	0.02	0.05	0.06	0.06	0.06	0.14
							0.14
Commitment Charges/Service Charges							
ADF							0

SAMPLE PROGRESS REPORT

A. Quarterly Progress Report

1. A quarterly progress report will comprise the following sections: An executive summary, project status, financial status, and a detailed report on the Project's compliance with the loan covenants. An outline Table of Contents for the report is given in Table A12 below. The report will contain all information required to update the ADB's Project Performance Report.

Table A12: Quarterly Progress Report for Road Projects
(To be prepared by the Project Supervision Consultant)

OUTLINE TABLE OF CONTENTS	
Maps showing project area and project components	
1. Introduction <ul style="list-style-type: none"> • Brief description of the Project • Contracts by Project 	<p>Briefly describe the components of the project</p> <p>List contracts, values and nature of work</p>
2. Executive Summary <ul style="list-style-type: none"> • Status • Progress Summary Sheet 	<p>Provide status as of reporting date of each contract, including that of the consultants in 1 or 2 brief paragraphs</p> <p>Provide one sheet to summarize the status of the whole project and one sheet for each contract.</p>
3. Contracts <ul style="list-style-type: none"> • Progress status • Financial Status • Quality Control • Safeguards Compliance 	<p>For each contract in turn provide information for all subsections as the case may be. Details for each contract should be presented as one unit.</p> <p>Provide details as set out in paragraph 3 of main text. Include details of contractors' resources (plant, equipment and manpower) and comment on inadequacies.</p> <p>Provide details as set out in paragraph 4 of the main text. Include details of variation orders issued and projections under process. Projections should be based on independent analysis of claims.</p> <p>Provide statement of quality control activities during the reporting period.</p> <p>Provide status of (i) resettlement and social safeguards activities; (ii) compliance with environmental mitigation measures; and (iii) safety issues, including accidents.</p>
4. Loan Covenants	Provide details as set out in paragraph 5 of main text.
5. Others	Provide details of any Benefit Monitoring activities. Provide details of weather during reporting period, as relevant. Provide list of movements of consultant's staff during reporting period.

2. An Executive Summary will summarize, in not more than one page, the major and critical events only for the reporting period. Attached to this section is a Progress Summary Sheet, which illustrates project status and major implementation issues.

3. Project Status will discuss the status of critical project implementation activities against that assumed in the original implementation schedule and will discuss actions required in the next reporting period to address any project status issue. Progress will be presented graphically based on a critical path analysis and will include projections to project completion based on the status at the end of each reporting period. When delays have occurred, the report will include reasons for any delay and will quantify the effect of the delay in terms of overall project completion. When specific actions have been identified, the report will identify the person/entity to lead the action and the timetable of delivery. Where necessary the report will discuss the following:

- (i) Implementation progress achieved and problems encountered and reasons for deviations from assumed progress;
- (ii) Proposed actions our countermeasures to resolve any implementation problem or to mitigate the impact of and issue to project progress;
- (iii) Major actions and critical activities relating to subproject preparation;
- (iv) Status of bidding and award of civil works, equipment supply, and service contracts;
- (v) Status of major procurement and disbursement actions; and
- (vi) Measures proposed during the next reporting period. The report will also include a summary of activities planned for the next reporting period to implement these measures.

4. Financial Status and utilization of loan funds, counterpart funds for the reporting period and future requirements. This section will also include projections for contract awards and disbursements over the next four quarters for both civil works and consulting services contracts.

5. Compliance with Loan Covenants, particularly those relating to environmental, social, resettlement, and sector and institutional development and reforms itemized in Schedule 5 in the Loan Agreement.

B. Monthly Progress Report

6. This report should be a brief, comprehensive report summarizing the above (all items in Part A, Quarterly Report) in not more than four pages. The monthly report should focus on progress of major implementation activities and/or problems. A Progress Summary Sheet for the reporting months must be included.

SAMPLE PROJECT COMPLETION REPORT

PROJECT COMPLETION REPORT

Suggested Topics for Project Completion Reports to be Prepared by Borrowers

I. PROJECT DESCRIPTION

- A. Objectives
- B. Components
- C. Implementation methods
- D. Description and justification of changes in components (or subproject appraisal criteria) or implementation methods

II. PROJECT IMPLEMENTATION

- A. Compare original and actual implementation schedules. Indicate delays, length and causes of delays, and remedial action taken.
- B. Compare cost estimates made during appraisal and actual costs (foreign and local). Local currency costs incurred, appropriate exchange rates for their conversion into US dollars, and the foreign exchange costs financed by cofinanciers must be compiled correctly with reference to audited project accounts. Indicate factors that contributed to any significant overruns or underruns.
- C. State problems or difficulties in recruiting consultants, with reference to ADB procedures. Assess the consultant's work and the working relationship between the executing agency (EA) and the consultant. Use of a design and monitoring framework is strongly recommended.
- D. State problems or difficulties encountered in procuring goods and services (including civil works) with reference to ADB procedures. Assess the supplier's or contractor's performance under the contract.
- E. Give the extent of compliance of the borrower and EA with loan covenants, with reasons for noncompliance or delays in compliance and the remedial actions taken.
- F. State reasons for any delays in loan utilization. Evaluate the appropriateness of the disbursement methods used. Justify the reallocation of loan proceeds.
- G. State problems or difficulties with subproject appraisal. Evaluate the EA's performance and capacity to appraise subprojects.

III. INITIAL OPERATIONS

- A. Describe initial operations of the project and transitional problems encountered from project completion to initial operations.
- B. Describe measures taken to ensure continued smooth operation of the project relative to management, staffing, funding, and maintenance of project facilities.

- C. Analyze the prospects of the project benefits being realized.

IV. EVALUATION OF THE ASIAN DEVELOPMENT BANK'S PERFORMANCE

- A. Assess ADB's performance in supervising project implementation. Include comments on the adequacy of the consultants' terms of reference and appropriateness of specifications in tender documents. Evaluate the effectiveness and timeliness of assistance extended by ADB to solve implementation problems.
- B. Comment on problems encountered with ADB's procedures. Note the measures taken to resolve these problems and suggest changes in procedures and requirements.

SAMPLE AUDIT LETTER

ASIAN DEVELOPMENT BANK

Regional Department
Sector Division / Regional or Resident Mission

[Date]¹
[The Borrower]
Dear Sir or Madam:

Subject: **[Loan No. and Project Title]**
FINANCIAL REPORTING AND AUDITING REQUIREMENTS

This letter is to ensure your timely compliance with the loan covenants and the quality of financial information as required by ADB. ADB's *Handbook for Borrowers on the Financial Governance and Management of Investment Projects Financed by the ADB* (the Booklet) is enclosed to guide you.

ADB, by its Charter, is required to ensure that the proceeds of any loan made, guaranteed, or participated in by ADB are used for the purposes for which the loan was approved. ADB requires accurate and timely financial information from its borrowers to be assured that expenditure was for the purposes stated in the loan agreement.

For this particular loan, the requirements are stipulated in sections _____² and _____³ of the Loan Agreement of _____ between ADB and [the Borrower] and sections _____⁴ and _____⁵ of the Project Agreement⁶ of _____ between ADB and [name of the EA].⁷ Copies of the Loan/Project Agreements are enclosed for onward transmission by your office to your EA and the auditor(s), together with a copy of this letter.

The following are the main requirements:

- ADB requires the EA to maintain separate project accounts and records exclusively for the Project to ensure that the loan funds were used only for the objectives set out in the Loan or Project Agreements. The project accounts comprise the following:⁸

The first set of project accounts to be submitted to ADB covers the fiscal year ending _____. As stipulated in the Loan or Project Agreements, they are to be submitted up to _____ months after the end of the fiscal year. For this loan, the deadline is by _____. A sample report format with explanatory notes, is attached as Annex A.
- The accounts and records for the project are to be consistently maintained by using sound accounting principles. Please stipulate that your external auditor is to express an opinion on whether the financial report has been prepared using international or local generally accepted accounting standards and whether they have been applied consistently.

ADB prefers project accounts to use international accounting standards prescribed by the International Accounting Standards Committee. Please advise your external auditor to comment on

the impact of any deviations, by [name of the Executing Agency] from international accounting standards.

- Please ensure that your external auditor specifies in the Auditor's Report the appropriate auditing standards they used, and direct them to expand the scope of the paragraph in the Auditor's Report by disclosing the key audit procedures followed. Your external auditor is also to state whether the same audit procedures were followed for all supplementary financial statements submitted.

ADB wishes that auditors conform to the international auditing standards issued by the International Federation of Accountants. In cases where other auditing standards are used, request that your external auditor to indicate in the Auditor's Report the extent of any differences and their impact on the audit.

- The external auditor's opinion is also required on whether
 - the proceeds of the ADB's loan have been utilized only for the project as stated in the Loan Agreement;
 - the financial information contains data specifically agreed upon between [name of the Borrower or EA] and ADB to be included in the financial statements;
 - the financial information complies with relevant regulations and statutory requirements; and
 - compliance has been met with all the financial covenants contained in the Loan or Project Agreements.
- The Auditor's Report is to clearly state the reasons for any opinions that are qualified, adverse, or disclaimers.
- Actions on deficiencies disclosed by the external auditor in its report are to be resolved by [name of Borrower or Executing Agency] within a reasonable time. The external auditor is to comment in the subsequent Auditor's Report on the adequacy of the corrective measures taken by [name of Borrower or EA].

Compliance with these ADB requirements will be monitored by review missions and during normal project supervision, and followed up regularly with all concerned, including the external auditor.

Yours sincerely,

Director /
Country Director
(Sector Division/
Regional or Resident Mission)

cc: (EA)
(External auditor of the Borrower or EA)

1	The audit letter, with the loan and project agreements, is sent to the borrower when the auditor has been appointed or when the agreements are sent by the program department to the Ministry of Finance or other authority of the borrower.
2	Specify section no. in the loan agreement on maintaining project accounts and records.
3	Specify section no. in the loan agreement on the audit requirements.
4	Specify section no. in the project agreement on maintaining project accounts and records.
5	Specify section no. in the project agreement on the audit requirements.
6	If there is a project agreement.
7	When more than one project agreement, provide similar information.
8	Listed are standard accounts required from nonrevenue-earning entities. Try to identify specific titles of financial statements expected to be submitted by the Borrower and EAs. For revenue-earning entities, the submissions consist of the entities' audited financial statements. For nonrevenue-earning entities, the submissions consist of audited project accounts.

LOAN COVENANTS

No.	Reference in the Loan Agreement	Loan Covenants	Status/ Deadline for Compliance
1	LA, Schedule 5 Para. 2	Within three (3) months of the completion of rehabilitating and upgrading National Road 33 from Kampong Trach to Preak Chek, MPWT shall assign responsibility for operations and maintenance of those Project facilities to PDPWT.	Not yet due
2	LA, Schedule 5 Para. 3	The Borrower shall ensure that the Project-financed roads and bridges are maintained to design standards and in accordance with sound maintenance practices. The Borrower shall ensure that annual road maintenance plans are prepared for the Project-financed roads and bridges, on the basis of maintenance standards, traffic volumes, and assessment of needs, as agreed between the Borrower and ADB.	Not yet due
3	LA, Schedule 5 Para. 4	The Borrower shall ensure that within twelve (12) months of the award of Works contracts for Component D as described in para 2 of Schedule 1 of the Loan Agreement, MPWT revises maintenance costs to reflect the rates used in the executed Works contracts. These revised rates shall be applied as guidance for future budget requests for maintenance of the road system and revised annually to reflect current rates for competitively bid Works contracts for road maintenance.	Not yet due
4	LA, Schedule 5 Para. 14	The Borrower shall ensure that all actions affecting the environment shall be carried out in accordance with ADB's Environment Policy (2002) and shall cause MPWT to ensure (a) that specific provisions are included in Works and consulting services contracts for the implementation and monitoring of the EMP prepared as part of the IEE, together with budget allowances for these provisions; and (b) the environmental mitigation measures in the IEE and the summary IEE are adequately implemented by the contractors.	Not yet due
5	LA, Schedule 5 Para. 15	The Borrower shall ensure that the implementation of the EMP and the contractors' mitigation measures are adequately monitored and updated, when necessary, with quarterly reporting to ADB.	Not yet due
6	LA, Schedule 5 Para. 16	The Borrower shall ensure that MPWT ensures that road construction is carried out following good environmental practices, including (a) appropriate selection of quarry and borrow sites and their subsequent rehabilitation after use; (b) proper disposal of construction wastes and materials; (c) use of good environmental design and construction techniques that ensure slope stability and drainage; (d) minimization of construction impacts, such as dust, diversion of stream flow and increased turbulence, equipment noise, etc.; and (e) necessary mitigation measures for other environmental impacts associated with road construction and maintenance.	Not yet due

No.	Reference in the Loan Agreement	Loan Covenants	Status/ Deadline for Compliance
7	LA, Schedule 5 Para. 5	The Borrower shall ensure that: (a) MPWT engages resettlement and gender specialist consultants to assist in updating, implementing and monitoring the agreed upon Resettlement Plan; (b) MPWT does not commence any land acquisition and relocation activities for a geographic area nor commence any Works on that geographic area until the updated Resettlement Plan for that section has been prepared following detailed design and the updated Resettlement Plan has been reviewed and approved by ADB; (c) MPWT carries out all resettlement activities in accordance with the updated Resettlement Plans agreed upon between the Borrower and ADB; (d) the IRC recruits and contracts with an independent external monitoring organization before commencement of any land acquisition activities; and (e) the K-PDWPT establishes a Provincial Resettlement Committee as well as district Resettlement Working Groups and commune Resettlement Task Forces to be responsible for implementation of the Resettlement Plan.	15 July 2008
8	LA, Schedule 5 Para. 6	When preparing updated Resettlement Plans, the Borrower shall complete a detailed measurement survey and derive updated compensation unit rates for all categories of losses and allowances. The Borrower shall provide to ADB a final database of affected persons, a summary of the updated detailed measurement survey data, and replacement cost tables for each Project-financed road, and formulation of appropriate rehabilitation measures for severely affected, very poor and other vulnerable groups. The revisions to an entitlement matrix in an updated Resettlement Plan shall be limited to: (a) inclusion of new entitlements to address impacts not previously recognized, or (b) changes of mode of payment from cash to in-kind. The Resettlement Plans shall be prepared in compliance with ADB's Involuntary Resettlement Policy (1995) and the Borrower's laws, regulations, and procedures. In case of discrepancies between the Borrower's laws, regulations, and procedures and ADB's Involuntary Resettlement Policy, ADB's Policy shall prevail.	Not yet due
9	LA, Schedule 5 Para. 7	The Borrower shall ensure that the affected persons, including those from any host community, are compensated at replacement cost and assisted prior to displacement from their houses, land, and assets, such that they will be at least as well off as they would have been in the absence of the Project, and the poorest affected persons and vulnerable groups, including affected persons from an ethnic minority, are assisted to help improve their socioeconomic status.	Not yet due
10	LA, Schedule 5 Para. 8	The Borrower shall ensure timely provision of counterpart funds for resettlement to meet any unforeseen obligations in excess of the resettlement budget estimates in order to satisfy resettlement requirements and objectives.	Not yet due

No.	Reference in the Loan Agreement	Loan Covenants	Status/ Deadline for Compliance
11	LA, Schedule 5 Para. 9	MPWT shall ensure that Works contractors are not issued a notice of possession for a geographic area until (a) compensation payment and relocation to new sites has been satisfactorily completed for that geographic area, (b) agreed rehabilitation assistance is in place, and (c) the geographic area is free of all encumbrances.	Not yet due
12	LA, Schedule 5 Para. 10	The Borrower shall ensure that the appropriate Government agencies implement the HIV/AIDS and Trafficking Awareness and Prevention Program.	Not yet due
10	LA, Schedule 5 Para. 11	The Borrower shall cause MPWT to ensure that all Works contracts under the Project incorporate provisions (and sufficient budget) to require that contractors: (a) comply with all applicable labor laws and related international treaty obligations and do not employ child labor; (b) do not provide differential wages or benefits to men and women for work of equal value; (c) provide basic water and sanitation facilities for men and women in the construction camps as well as separate bathing and toilet facilities for men and women; (d) provide day care service for the children of female construction workers; (e) provide safe working conditions for male and female workers; and (f) carry out HIV/AIDS Awareness and Prevention Program and Human Trafficking Prevention Program in the campsites.	Not yet due
11	LA, Schedule 5 Para. 12	The Borrower shall ensure that (i) district and commune level resettlement committees established pursuant to the Resettlement Plans include representatives from the district or commune-level Department of Women's Affairs, as applicable, as well as female representatives from affected households, including women-headed households, and women from ethnic minority households; and (ii) MPWT carries out capacity building training programs to provide training to district-level and commune-level resettlement committee members, as well as female representatives from affected households, including women-headed households, in order to provide, among other things, detailed information on resettlement activities, such as proposed relocation sites, entitlements, compensation and livelihood strategies for income improvement for affected persons, and grievance procedures.	Ongoing
12	LA, Schedule 5 Para. 13	The Borrower shall ensure that (a) MPWT develops disaggregated monitoring indicators by gender and ethnic group for purposes of monitoring and reports, and (b) conducts gender sensitization training on gender and resettlement for its relevant staff, the district-level and commune-level resettlement committees, and the Department of Women's Affairs. In any instance where land is acquired for affected persons, the Borrower and MPWT shall ensure joint registration of land or land use rights in the names of both the husband and wife.	Ongoing
13	LA, Schedule 5 Para. 17	To ensure transparency and good governance, and within six (6) months of the Effective Date, MPWT shall establish a	October 2008

No.	Reference in the Loan Agreement	Loan Covenants	Status/ Deadline for Compliance
		Project specific web page on its website and shall publicly disclose on this web page information on how Loan proceeds are being used, presenting procurement contract awards, including for each such contract (a) the list of participating bidders, (b) name of the winning bidder, (c) basic details on bidding procedures adopted, (d) amount of the contract awarded, (d) list of Goods and/or services purchased, and (e) intended and actual utilization of Loan proceeds under each contract. The website shall be updated within four (4) weeks after each award of contract. If a Project web page cannot be established within MPWT's existing website to which the Project consultant would have read/write access and to which there is unrestricted public access, then a separate Project website shall be established by MPWT.	
14	LA, Schedule 5 Para. 18	The Borrower shall cause MPWT to establish a Complaints and Action Task Force within PMU-3 to receive and resolve complains or grievances and act upon reports on the misuse of funds or other irregularities. The Borrower shall cause MPWT to, when publishing bid evaluation results, also specify that any bidder that wishes to ascertain the grounds on which its bid was not selected may request an explanation from MPWT. MPWT shall promptly (within 20 working days) provide an explanation of why such bid was not selected, either in writing and/or in a debriefing meeting, at the option of MPWT. The requesting bidder shall bear all the costs of attending such a debriefing.	Not yet due
15	LA, Schedule 5 Para. 19	The Borrower shall cause MPWT to widely publicize the existence of the Integrity Division within ADB's Office of the Auditor General as a point of contact for allegations of fraud, corruption and abuse among ADB-financed projects or any MPWT staff.	Not yet due
16	LA, Schedule 5 Para. 20	The Borrower shall ensure that all advances of operating expenses paid to MPWT staff are reconciled within one (1) week of the end of each month. No further advances shall be paid until previous advances have been reconciled and cleared against documentary evidence.	Not yet due
17	LA, Schedule 5 Para. 21	The Borrower shall notify civil society organizations active in the Project area of selected events and that they are invited to observe those selected events, such as: public bid openings, contract signings, meetings to review Project progress, hand-over ceremonies for Project facilities, and others as identified by MPWT. All activities undertaken by the identified civil society organizations with regard to the Project shall be included in the quarterly progress reports.	Not yet due
18	LA, Schedule 5 Para. 22	In addition to remedies available to ADB under its Anticorruption Policy (1998 as amended to date) and Loan Regulations, the Borrower agrees that the following actions may also be applied in the event corrupt activities have been	

No.	Reference in the Loan Agreement	Loan Covenants	Status/ Deadline for Compliance
		investigated and confirmed to the satisfaction of ADB: notification to MPWT of wrongdoing by any person associated with the Project for further appropriate action by the Borrower, requiring MPWT to remove an individual from further involvement in the Project, and declaring a misprocurement has occurred.	
19	LA, Schedule 5 Para. 25	MPWT shall ensure the implementation of a systematic Project performance monitoring and evaluation system for use throughout the Project period, and after as needed, that indicates: (i) the effectiveness of Project implementation activities, including (a) the precise nature, timeliness, cost and quality of physical infrastructure implemented in the Project, (b) the integrity of resettlement and related programs, and (c) the extent to which the HIV/AIDS Awareness and Prevention Program and Human Trafficking Prevention Program is implemented as planned and its impacts; and (ii) the effectiveness of the Project with regard to its anticipated effect on economic and social development relative to the baseline prior to its implementation, as indicated by changes in (a) per capita income in the Project area, (b) the volume and type of freight and number of passengers crossing the border between Cambodia and Viet Nam at Preak Chak – Xa Xia and between Cambodia and Thailand at Koh Kong; (c) passenger and freight vehicle operating costs on roads improved under the Project and between key locations, (d) tariffs for freight and passenger movement between selected locations that indicate the impact of the Project on the community, (e) the quantity and type of traffic on roads improved under the Project, and the quantity and type of freight transported at selected locations, and (f) the processing time for passengers and for freight departing from Cambodia at the two border crossings improved under the Project. The impacts of development on low income households resulting from improved road access shall receive particular attention.	Not yet due
20	LA, Schedule 5 Para. 26	Baseline data shall be collected within 18 months of the Effective Date, with a second survey to be conducted immediately prior to Project completion and a third survey to be conducted five (5) years after Project completion. The baseline and subsequent surveys shall draw on data collected during Project preparatory activities and data collected from traffic and travel surveys, household socioeconomic sample surveys, participatory rapid appraisals and secondary data from government sources. Where relevant, indicators shall be disaggregated by gender and socioeconomic status.	November 2009
21	LA, Schedule 5 Para. 27	The Borrower shall cause the PMU-3 to: (i) collect and consolidate all Project progress reports, site reports, technical and financial reports and submit them to ADB; (ii) review and submit quarterly progress reports, a midterm Project evaluation report and an overall Project completion report as prepared by its consultants; and (iii) other reports as may be reasonably	Quarterly

No.	Reference in the Loan Agreement	Loan Covenants	Status/ Deadline for Compliance
		requested by ADB. Quarterly reports shall include updated implementation, financial and procurement-related information, as well as reports submitted by the independent monitor for resettlement activities. Quarterly reports shall be submitted to ADB within 30 days of the end of each quarter.	

RELEVANT DOCUMENTS

The following are a list of ADB's reference materials.

A. Project Related

1. Report and Recommendation of the President to the Board of Directors
2. Loan Agreement
3. Cofinancing Agreement between ADB and AusAID

B. Consultants. May be downloaded from the following website:

<http://www.adb.org/Consulting/documents.asp>

4. Guidelines on the Use of Consultants by ADB and Its Borrowers
5. Handbook for Users of Consulting Services

C. Procurement. May be downloaded from the following website:

<http://www.adb.org/Procurement/prequalification-bid-documents.asp>

6. Guidelines on Procurement under ADB Loans
7. Guide on Bid Evaluation
8. Handbook on Policies, Practices and Procedures Relating to Procurement Under ADB Loans
9. Handbook on Problems in Procurement for Projects Financed by ADB
10. Standard Bidding Documents: Procurement of Goods (including related services)
Single-stage: One-Envelope
Single-stage: Two-Envelope
Two-stage: Two-Envelope
Two-stage User's Guide
11. Guide on Prequalification of Civil Works Contractors
12. Sample Bidding Documents – Procurement of Civil Works
13. Sample Bidding Documents – Procurement of Civil Works (Small Contracts)
14. Guide on Community Participation in Procurement
15. Contract Awards and Disbursement Projections

D. Disbursement

16. Disbursement Letter issued by Controller's Department
17. Loan Disbursement Handbook

http://www.adb.org/documents/handbooks/loan_disbursement/default.asp

E. General – may be downloaded or browsed from the following website:

<http://www.adb.org/Integrity/>

<http://www.adb.org/Documents/Policies/Environment/default.asp>

http://www.adb.org/Documents/Policies/Involuntary_Resettlement/default.asp

http://www.adb.org/Documents/Policies/Indigenous_Peoples/default.asp

18. Anticorruption Policy
19. Anticorruption Policy: Description and Answers to Frequently Asked Questions

20. Guidelines for Economic Analysis of Projects
21. Ethnic Group Development Plan Framework
22. Environmental Assessment and Review Procedure
23. Handbook on Management of Project Implementation
24. e-Handbook on Project Implementation
<http://www.adb.org/Documents/Handbooks/Project-Implementation/default.asp>