

# Facility Administration Manual

---

Project Number: 42417  
Loan Number: LXXXX  
March 2011

## Armenia: Sustainable Urban Development Investment Program

## CONTENTS

I. ....	Investment Program Description	1
A.	Overview	1
B.	Project 1	1
II. ....	Implementation Plans	3
A.	Project Readiness Activities	3
B.	Overall Project Implementation Plan	4
III. ....	Project Management Arrangements	5
A.	Project Stakeholders – Roles and Responsibilities	5
B.	Key Persons Involved in Implementation	6
C.	Program Organization Structure	7
IV. ....	Costs and Financing	8
A.	Detailed Cost Estimates by Expenditure Category and by Financier: Tranche 1	8
B.	Detailed Cost Estimates by Component and by Financier: Tranche 1	9
C.	Allocation and Withdrawal of Loan Proceeds: Tranche 1	10
D.	Detailed Cost Estimates by Outputs/Components: Tranche 1	11
E.	Detailed Cost Estimates by Year: Tranche 1	12
F.	Contract and Disbursement S-curve	13
G.	Fund Flow Diagram	14
V. ....	Financial Management	15
A.	Financial Management Assessment	15
B.	Disbursement Arrangements	15
C.	Government Financing	16
D.	Accounting	16
E.	Auditing	16
VI. ....	Procurement and Consulting Services	18
A.	Procurement of Goods, Works and Consulting Services	18
B.	Process Thresholds and Review Requirement	18
C.	Tentative Procurement Plan (Tranche 1)	19
D.	Indicative List of Packages Required Under the Project	21
E.	Contract Awards and Disbursement	21
F.	National Competitive Bidding (NCB)	21
VII. ....	Safeguards	24
A.	Environment	24
B.	Land Acquisition and Resettlement (LAR)	24
C.	Indigenous People	24
D.	Other Safeguards	24
VIII. ....	Gender and social dimensions	25
A.	Gender Action Plan	25
IX. ....	Performance Monitoring, Evaluation, Reporting and Communication	26
A.	Project Design and Monitoring Framework	26
B.	Monitoring	26
C.	Evaluation	26
D.	Reporting	27

E.	Stakeholder Communication Strategy	27
X.....	Anticorruption Policy, Transparency and Accountability	28
A.	Anticorruption	28
B.	Transparency and Good Governance	28
XI.....	Accountability Mechanism	29
XII.....	Record of FAM changes	30

## **APPENDIX**

Quarterly Progress Report Format

### **Facility Administration Manual Purpose and Process**

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

The Government of Armenia and Yerevan and other municipalities are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by Government of Armenia Yerevan and other municipalities of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the FAM and ensure consistency with the Framework Financing Agreement (FFA). Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the FAM and the Financing Agreement, the provisions of the Financing Agreement shall prevail.

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

## ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AFS	–	audited financial statements
EA	–	executing agency
EARF	–	environmental assessment and review framework
EIA	–	environmental impact assessment
EPC	–	engineering procurement construction
FAM	–	facility administration manual
FA	–	Financing Agreement
FFA	–	framework financing agreement
GAP	–	gender action plan
GOA	–	Government of Armenia
IA	–	implementing agency
IARS	–	imprest account reconciliation statement
ICB	–	international competitive bidding
IEE	–	initial environmental examination
LAR	–	land acquisition and resettlement
LARF	–	land acquisition and resettlement framework
MIS	–	management information system
MFF	–	multitranche financing facility
MOE	–	Ministry of Economy
NCB	–	national competitive bidding
NGOs	–	nongovernment organizations
PAI	–	project administration instructions
PCA	–	procurement capacity assessment
PFR	–	periodic financing request
PIU	–	project implementation unit
PPMS	–	project performance monitoring system
PPP	–	Public private partnership
QCBS	–	quality- and cost based selection
RFP	–	request for proposal
RRP	–	report and recommendation of the President to the Board
SBD	–	standard bidding documents
SOE	–	statement of expenditure
SPS	–	Safeguard Policy Statement
WA	–	withdrawal application
YDPIU	–	Yerevan Development PIU
YM	–	Yerevan Municipality

## **I. INVESTMENT PROGRAM DESCRIPTION**

### **A. Overview**

1. The investment program targets a range of urban connectivity and mobility improvements in all parts of Armenia, aiming to improve transport efficiency, reliability, and safety, and reduce congestion.

#### **1. Impact and Outcome**

2. The impact of the MFF will be improved urban environment, local economy and enhanced private sector within urban areas. The outcome will be efficient, reliable and affordable urban infrastructures and services provided in Armenian cities.

#### **2. Outputs**

##### **(i) Component A: Urban Infrastructure**

- Road and bridge construction and urban infrastructure improvement
- Public transport network and infrastructure rehabilitation and extension
- Multimodal facilities including interregional transport services
- Urban infrastructure necessary to sustain economic development and tourism (economic, energy, information technology)

##### **(ii) Component B: Institutional Strengthening**

##### **(iii) Part C: Program Management and Capacity Building**

### **B. Project 1**

#### **1. Impact and Outcome**

3. The impact of the MFF will be improved urban environment, local economy and enhanced private sector within urban areas. The outcome will be efficient, reliable and affordable urban infrastructures and services provided in Yerevan

#### **2. Outputs**

##### **(i) Component A: Urban Infrastructure**

- Argavand Highway–Shirak St road (West)
- Artashat Highway–Shirak St. and St. Tamanciner section road (South-West)

##### **(ii) Component B: Institutional Strengthening**

- Strengthened Institutional and monitoring management capacity of Yerevan and urban transport service providers
- Multimodal coordination and management committee set up

- Development of multimodal transport system (including tariff, ticketing, information, signage, urban transport website, accessibility, traffic model) and implementation action plan
- Set-up monitoring unit to evaluate impacts of the program including financial evaluation of the action plan

(iii) Component C: Project Management and Capacity Building

- Consulting services for program management, engineering and supervision recruited for each project to be implemented, preparation and management of subsequent projects, and advisory services for audit, safeguard monitoring and program evaluation
- Strengthening of Yerevan departments and units to oversee properly the Investment Program implementation with training program (transport planning and modeling, project, procurement, financial and safeguards management) organized for Yerevan and other urban transport providers and public awareness campaigns
- Equipment, software, traffic model, reference documents and awareness



## B. Overall Project Implementation Plan

Activity	2011				2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>A Project 1 : Argavand- Shirak road</b>																				
1. Recruitment of engineer-supervision consultant		■	■																	
2. Design Procurement and Supervision				■	■	■	■	■	■	■	■	■	■	■	■	■				
3. Land acquisition and resettlement			■	■																
4. Procurement of civil works				■	■															
5. Civil works					■	■	■	■	■	■	■	■	■	■	■	■				
<b>B Project 2: Artashat - Shirak road</b>																				
1. Recruitment of Engineer/supervision consultant		■	■																	
2. Design Procurement and Supervision				■	■	■	■	■	■	■	■	■	■	■	■	■				
2. Land acquisition and resettlement			■	■	■															
3. Procurement of civil works				■	■	■	■													
4. Civil works						■	■	■	■	■	■	■	■	■	■	■				
<b>C Institutional strengthening</b>																				
1.Preparation and Design				■	■	■	■													
2.Procurement and reorganization of Component C					■	■	■	■	■	■	■									
3.Implementation of Component C						■	■	■	■	■	■	■	■	■	■					
<b>D Capacity Development Program</b>																				
1. Independent Resettlement monitoring			■	■	■	■	■	■												
2. Environment management plan key activities					■	■	■	■	■	■	■	■	■	■	■	■	■			
3. Gender action plan key activities					■	■	■	■	■	■	■	■	■	■	■	■	■			
4. Communication strategy key activities					■	■	■	■	■	■	■	■	■	■	■	■	■			
5. Annual/Mid-term review		■		■	■	■		■	■		■		■	■		■				
6. Project completion report																	■			

### III. PROJECT MANAGEMENT ARRANGEMENTS

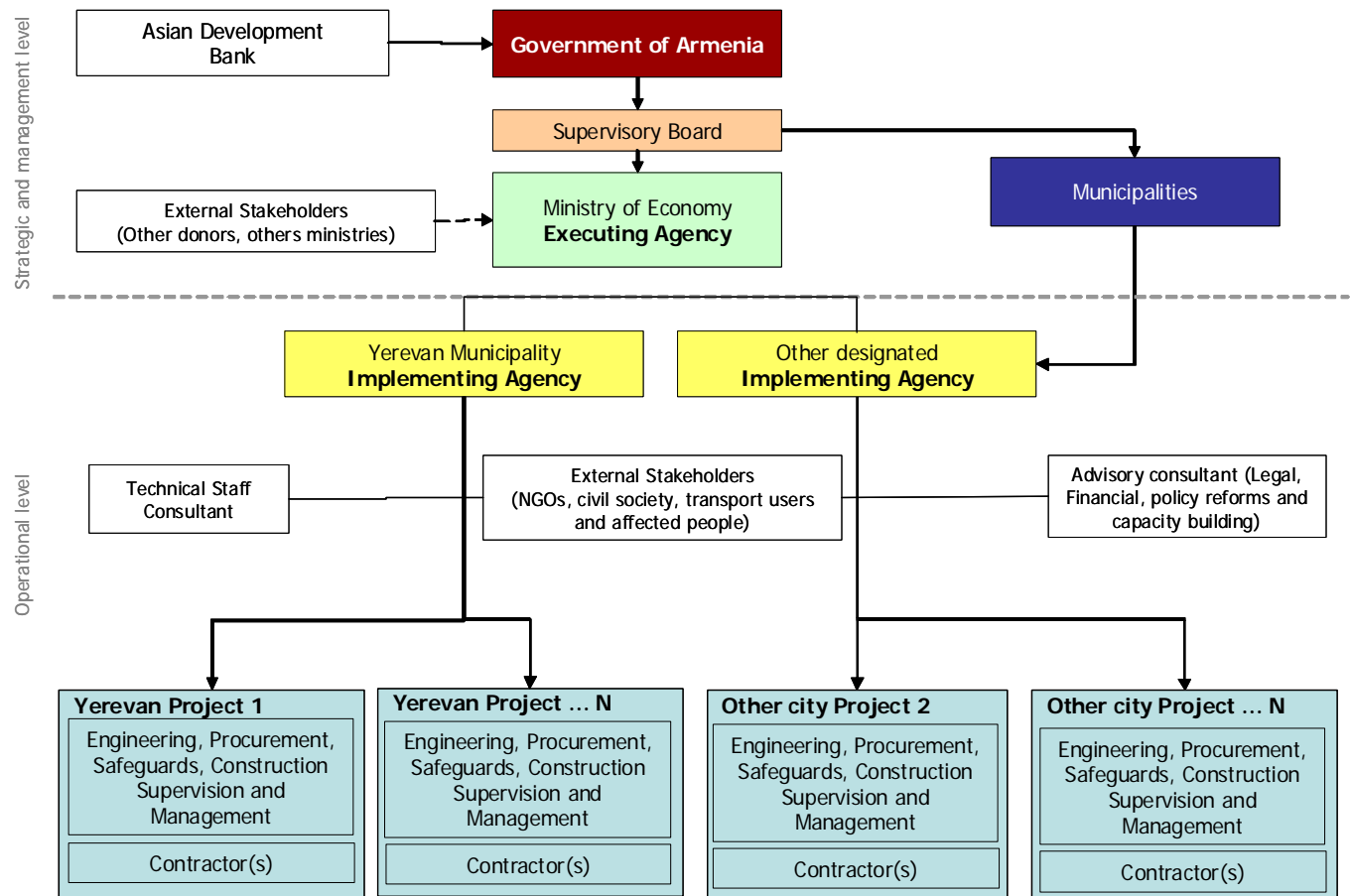
#### A. Project Stakeholders – Roles and Responsibilities

Project Stakeholder	Management Roles and Responsibilities
Government supervisory board with Yerevan and other relevant Municipalities	<ul style="list-style-type: none"> <li>– oversee progress on the program investment</li> <li>– responsible for guiding development of urban transport in Yerevan and other cities (Priorities, subsequent tranches)</li> <li>– meet at least once every 6 months until Program completion</li> </ul>
Executing Agency	<ul style="list-style-type: none"> <li>– responsible for Program oversight and administration</li> <li>– hold quarterly meetings with the IAs</li> <li>– submit progress reports to the Supervisory Board for decision making</li> <li>– obtain ADB approvals for Project component finance</li> <li>– ensure compliance with Project covenants</li> <li>– prepare subsequent tranches and negotiate project and loan agreements</li> </ul>
Implementation Agencies	<ul style="list-style-type: none"> <li>– responsible for project implementation and management</li> <li>– oversee Program accounting and auditing</li> <li>– oversee implementation of urban transport roadmaps</li> <li>– carry out PPMS surveys</li> <li>– ensure city administrations comply with covenant</li> <li>– submit Project documents, including audit reports, to ADB and EA on time</li> <li>– invite bids/evaluate/prepare bid evaluation reports for ADB's approval award contracts</li> <li>– secure technical and ecological expertise for all civil works prior to bidding</li> <li>– conduct, monitor and review bid process and coordinate with ADB on all approvals</li> <li>– prepare quarterly progress reports and submit to EA within 20 days of the end of each quarter</li> <li>– implement the urban transport institutional reorganization</li> <li>– coordinate with ADB on matters related to disbursements</li> <li>– ensure monitoring and quality control of construction works with necessary safety measures</li> <li>– set up multimodal coordination committee and follow up the action plan</li> <li>– ensure urban services management and improved planning and monitoring management practices</li> <li>– manage detailed surveys, investigations and engineering designs for all subcomponents</li> <li>– prepare necessary land acquisition and resettlement framework environmental impact assessment (EIA) or initial environment examination (IEE) and environmental management and monitoring plan (EMMP)</li> <li>– administer construction or rehabilitation contracts (with support from relevant municipalities)</li> <li>– ensure quality control</li> <li>– evaluate work done by contractors and certify payments</li> </ul>

## B. Key Persons Involved in Implementation

Staff and Designation	Organization	Division/Department	Telephone No.	Fax No.	E-mail
Mr. Tigran Davtyan	Ministry of Economy	Minister	+374 10 5261 34	+374 10 5265 77	tdavtyan@mineconomy.am
Ms. Karine Minasyan	Ministry of Economy	First Deputy Minister	+374 10543326	+374 10 5265 77	kminasyan@mineconomy.am
Mr. Ruben Sarukhanyan	Ministry of Economy	Head of Investment Policy Dept	+374 10543981,	+374 10 5265 77	rsarukhanyan@mineconomy.am
Mr. Vache Gabrielyan	Ministry of Finance	Minister	+374 10595304,		vgabrielyan@minfin.am
Mr. Vardan Aramyan	Ministry of Finance	Deputy Minister	+374 10 595277		varamyan@minfin.am
Mr. Karen Karapetyan	Yerevan Municipality	Mayor	+374 10 514101,		mnatsakanyan_a@mail.ru
Mr. Ashot Mnatsakanyan	Yerevan Municipality	Program Management Office Director (To be confirmed)	+374 10 514114,	+374 10 541 808	mnatsakanyan_a@mail.ru
Ms. Vahe Nikoyan	Yerevan Municipality	Head of Financial Division	+374 10 514187,	+374 10 541 808	contacts@yerevan.am
Mr. Artur Sargsyan	Yerevan Municipality	Head of Procurement Division	+374 10 514187,	+374 10 541 808	contacts@yerevan.am
Mr. Karine Danielyan	Yerevan Municipality	Head of Legal Division	+374 10 514187,	+374 10 541 808	contacts@yerevan.am
Mr. Levon Hakobyan	Yerevan Development PIU (YDPIU)	Program Implementation Office, Director (To be confirmed)	+374 10 520973	+374 10 563601	vb@mail.am
Mr. Vardges Badalyan	Yerevan Development PIU (YDPIU)	Deputy Director	+374 10 520973	+374 10 563601	vb@mail.am
Ramesh Subramaniam Director	ADB	Urban Dev. & Water Div.(CWUW), Central and West Asia (CWRD)	+63-2-632-6864	+63-2-636-2484	<a href="mailto:rsubramaniam@adb.org">rsubramaniam@adb.org</a>
Mr. Arnaud Dauphin Urban Development Specialist	ADB	CWUW	+63-2-632-5488	+63-2-636-2484	<a href="mailto:adauphin@adb.org">adauphin@adb.org</a>
Mr. Bertrand Goalou Urban Development Specialist	ADB	CWUW	+63-2-632-5488	+63-2-636-2484	<a href="mailto:bgoalou@adb.org">bgoalou@adb.org</a>
Mr. Marko Davila Urban Development Specialist	ADB	CWUW	+63-2-632-5488	+63-2-636-2484	<a href="mailto:mdavila@adb.org">mdavila@adb.org</a>
Ms. Ma Rosario Romasanta Project Officer	ADB	CWUW	+63-2-632-6345	+63-2-636-2484	<a href="mailto:csoliman@adb.org">csoliman@adb.org</a>
Mr. Baurzhan Konysbayev Senior Counsel	ADB	Office of the General Counsel (OGC)	+63-2-632 4907	+63-2-636-2501	<a href="mailto:bkonysbayev@adb.org">bkonysbayev@adb.org</a>
Mr. Viliami T. Sefesi Financial Control Specialist	ADB	Loan Administration Division, Disbursement Section 2 (CTLA-2)	+63-2-632-5253		<a href="mailto:vsefesi@adb.org">vsefesi@adb.org</a>
Ms. Dan Yang Director	ADB	Consulting Operations Services Division 1 (COS1)	+63-2-632-6580		<a href="mailto:dyang@adb.org">dyang@adb.org</a>
Mr. Areg Barseghyan Senior Country Coordinator	ADB	ARRM	+374-546 371	+374-546 374	<a href="mailto:abarseghyan@adb.org">abarseghyan@adb.org</a>
		ADB Integrity Division	+63-2-632-5004	+63-2-636-2154	<a href="mailto:integrity@adb.org">integrity@adb.org</a> <a href="mailto:anticorruption@adb.org">anticorruption@adb.org</a>

### C. Program Organization Structure



#### IV. COSTS AND FINANCING

##### A. Detailed Cost Estimates by Expenditure Category and by Financier: Tranche 1

(\$ million)						
Item	ADB		Government		Total Cost	
	Amount	% of Cost Category	Amount	% of Cost Category		
<b>A. Investment Costs</b>						
1 Civil Works	31.45	83.33	6.29	16.67		37.73
2 Mechanical and Equipment	0.43	83.33	0.09	16.67		0.51
3 Environment and Social Mitigation	0.40	83.33	0.08	16.67		0.48
4 Consultants						
a. Project Management	4.74	83.33	0.95	16.67		5.69
b. Capacity Development	0.73	83.33	0.15	16.67		0.87
<b>Subtotal (A)</b>	<b>37.74</b>	<b>83.33</b>	<b>7.55</b>	<b>16.67</b>		<b>45.29</b>
<b>B. Resettlement</b>						
1 Land acquisition	0.00	0.00	1.92	100.00		1.92
2 Resettlement cost	4.80	83.33	0.96	16.67		5.76
<b>Subtotal (B)</b>	<b>4.80</b>	<b>62.52</b>	<b>2.88</b>	<b>37.48</b>		<b>7.68</b>
<b>C. Project Management Costs</b>						
1 PIU support	0.30	83.33	0.06	16.67		0.36
2 Equipment Operation and Maintenance	0.30	83.33	0.06	16.67		0.36
<b>Subtotal (B)</b>	<b>0.60</b>	<b>83.33</b>	<b>0.12</b>	<b>16.67</b>		<b>0.72</b>
<b>Total Base Cost</b>	<b>43.14</b>	<b>80.36</b>	<b>10.55</b>	<b>19.64</b>		<b>53.69</b>
<b>D. Contingencies</b>	<b>4.47</b>	<b>83.82</b>	<b>0.86</b>	<b>16.18</b>		<b>5.33</b>
<b>E. Financing Charges During Implementation</b>	<b>1.02</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>		<b>1.02</b>
<b>Total Project Cost (A+B+C+D+E) <sup>a</sup></b>	<b>48.64</b>	<b>81.00</b>	<b>11.41</b>	<b>19.00</b>		<b>60.05</b>
<b>% Total Project Cost</b>		<b>81</b>		<b>19</b>		<b>100</b>

<sup>a</sup> Including taxes and duties

Source: Asian Development Bank.

**B. Detailed Cost Estimates by Component and by Financier: Tranche 1**

(\$ million)						
Item		Total Cost	ADB		Government	
			Amount	ADF	Amount	National Government
				% of Cost Category		% of Cost Category
<b>A. Investment Program</b>						
1	Investment Program					
	Base cost	34.59	34.59	100.00	0.00	
	Taxes and duties	9.01	0.00	0.00	9.01	
	<b>Subtotal (A)</b>	43.60	34.59	100.00	9.01	
<b>B. Institutional Capacity Development</b>						
1	Base cost	0.85	0.85	100.00	0.00	
2	Taxes and duties	0.19	0.00	0.00	0.19	
	<b>Subtotal (B)</b>	1.04	0.85	81.97	0.19	
<b>C. Program Management Facility</b>						
1	Base cost	2.90	2.90	100.00	0.00	
2	Taxes and duties	0.64	0.00	0.00	0.64	
	<b>Subtotal (C)</b>	3.54	2.90	81.97	0.64	
<b>D. Resettlement</b>						
1	Land acquisition	1.57	0.00	0.00	1.57	
2	Resettlement cost	4.80	4.80	100.00	0.00	
	<b>Subtotal (D)</b>	6.37	4.80	75.34	1.57	
<b>E. Contingencies</b>						
1	Physical	4.47	4.47	100.00	0.00	
2	Price	0.00	0.00	0.00	0.00	
	<b>Subtotal (E)</b>	4.47	4.47	100.00	0.00	
<b>Interest Charges During</b>						
F.	<b>Implementation</b>	1.02	1.02	100.00	0.00	
	<b>Total</b>	<b>60.05</b>	<b>48.64</b>	<b>81.00</b>	<b>11.41</b>	
					<b>19.00</b>	

Source: Asian Development Bank.

**C. Allocation and Withdrawal of Loan Proceeds: Tranche 1**

Category			ADB Financing
Number	Item	Total Amount Allocated for ADB Financing (\$) <sup>a</sup>	Percentage and Basis for Withdrawal from the Loan Account
1	Civil Works	31.45	100 percent of total expenditure <sup>a</sup>
2	Goods	0.43	100 percent of total expenditure <sup>a</sup>
3	Consulting Services and Incremental Administration	6.47	100 percent of total expenditure <sup>a</sup>
4	Resettlement	4.80	100 percent of total expenditure <sup>b</sup>
5	Financing Charges	1.02	100 percent of amounts due
6	Unallocated	4.47	
	TOTAL	48.64	

<sup>a</sup> Taxes and duties excluded.

<sup>b</sup> Taxes, duties and land acquisition excluded.

**D. Detailed Cost Estimates by Outputs/Components: Tranche 1**

(\$ million)								
Item	Total Cost	Project 1 Argavand - Shirak		Project 2 Artashat - Shirak		Institutional Development		
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	
<b>A. Investment Costs<sup>a</sup></b>								
1 Civil Works	37.73	16.68	44.20	21.05	55.80	0.00	0.00	
2 Mechanical and Equipment	0.51	0.00	0.00	0.00	0.00	0.51	100.00	
3 Environment and Social Mitigation	0.48	0.16	33.33	0.32	66.67	0.00	0.00	
4 Consultants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
a. Project Management	5.69	1.90	33.33	3.79	66.67	0.00	0.00	
b. Capacity Development	0.87	0.29	33.33	0.58	66.67	0.00	0.00	
<b>Subtotal (A)</b>	<b>45.29</b>	<b>19.03</b>	<b>42.01</b>	<b>25.75</b>	<b>56.85</b>	<b>0.51</b>	<b>1.13</b>	
<b>B. Resettlement</b>								
1 Land acquisition	1.92	0.18	9.24	1.74	90.76	0.00	0.00	
2 Resettlement	5.76	0.24	4.19	5.52	95.81	0.00	0.00	
<b>Subtotal (B)</b>	<b>7.68</b>	<b>0.42</b>	<b>5.45</b>	<b>7.26</b>	<b>94.55</b>	<b>0.00</b>	<b>0.00</b>	
<b>Project Management and capacity development</b>								
<b>C. Costs</b>								
1 Capacity development	0.36	0.18	50.00	0.18	50.00	0	0.00	
2 Equipment Operation and Maintenance	0.36	0.18	50.00	0.18	50.00		0.00	
<b>Subtotal (C)</b>	<b>0.72</b>	<b>0.36</b>	<b>50.00</b>	<b>0.36</b>	<b>50.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Base Cost</b>	<b>53.69</b>	<b>19.81</b>	<b>36.88</b>	<b>33.37</b>	<b>62.15</b>	<b>0.51</b>	<b>0.95</b>	
<b>D. Contingencies<sup>b</sup></b>								
1 Physical <sup>c</sup>	5.33	1.97	36.88	3.32	62.15	0.05	0.95	
2 Price	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Subtotal (D)</b>	<b>5.33</b>	<b>1.97</b>	<b>36.88</b>	<b>3.32</b>	<b>62.15</b>	<b>0.05</b>	<b>0.95</b>	
<b>E. Financing Charges During Implementation<sup>c</sup></b>								
1 Interest During Implementation	1.02	0.38	36.88	0.64	62.15	0.01	0.95	
2 Commitment Charges	0	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Subtotal (E)</b>	<b>1.02</b>	<b>0.38</b>	<b>36.88</b>	<b>0.64</b>	<b>62.15</b>	<b>0.01</b>	<b>0.95</b>	
<b>Total Project Cost (A+B+C+D+E)<sup>a</sup></b>	<b>60.05</b>	<b>22.15</b>	<b>36.88</b>	<b>37.32</b>	<b>62.15</b>	<b>0.57</b>	<b>0.95</b>	

<sup>a</sup> In mid-2010 prices.<sup>b</sup> Computed at 10% for civil works, land acquisition and resettlement, field research and development, training, surveys and studies<sup>c</sup> Includes interest and commitment charges<sup>d</sup> Include taxes and duties

Source: Asian Development Bank.

**E. Detailed Cost Estimates by Year: Tranche 1**

		(\$ million)					
	Item	Total Cost	2011	2012	2013	2014	2015
<b>A.</b>	<b>Investment Costs</b>						
	1 Civil Works	37.73	0.00	15.09	13.21	9.43	0.00
	2 Mechanical and Equipment	0.51	0.00	0.51	0.00	0.00	0.00
	3 Environment and Social Mitigation	0.48	0.19	0.10	0.10	0.10	0.00
	4 Consultants	0.00	0.00	0.00	0.00	0.00	0.00
	a. Project Management	5.69	2.28	1.71	1.14	0.85	0.00
	b. Capacity Development	0.87	0.35	0.26	0.17	0.13	0.00
	<b>Subtotal (A)</b>	<b>45.29</b>	<b>2.82</b>	<b>17.67</b>	<b>14.62</b>	<b>10.51</b>	<b>0.00</b>
<b>B.</b>	<b>Project Management Costs</b>						
	1 PIU capacity	0.36	0.09	0.09	0.09	0.09	0.00
	2 Equipment Operation and Maintenance	0.36	0.09	0.09	0.09	0.09	0.00
	<b>Subtotal (B)</b>	<b>0.72</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.00</b>
	<b>Total Base Cost</b>	<b>53.69</b>	<b>3.00</b>	<b>17.85</b>	<b>14.80</b>	<b>10.69</b>	<b>0.00</b>
<b>C.</b>	<b>Contingencies</b>	<b>5.33</b>	<b>0.30</b>	<b>1.78</b>	<b>1.48</b>	<b>1.07</b>	<b>0.00</b>
<b>D.</b>	<b>Financing Charges During Implementation</b>	<b>1.02</b>	<b>0.26</b>	<b>0.26</b>	<b>0.26</b>	<b>0.26</b>	<b>0.00</b>
	<b>Total Project Cost (A+B+C+D) <sup>a</sup></b>	<b>60.05</b>	<b>3.55</b>	<b>19.89</b>	<b>16.53</b>	<b>12.02</b>	<b>0.00</b>
	<b>% Total Project Cost</b>	<b>100%</b>	<b>6%</b>	<b>33%</b>	<b>28%</b>	<b>20%</b>	<b>0%</b>

<sup>a</sup>Includes taxes and duties.

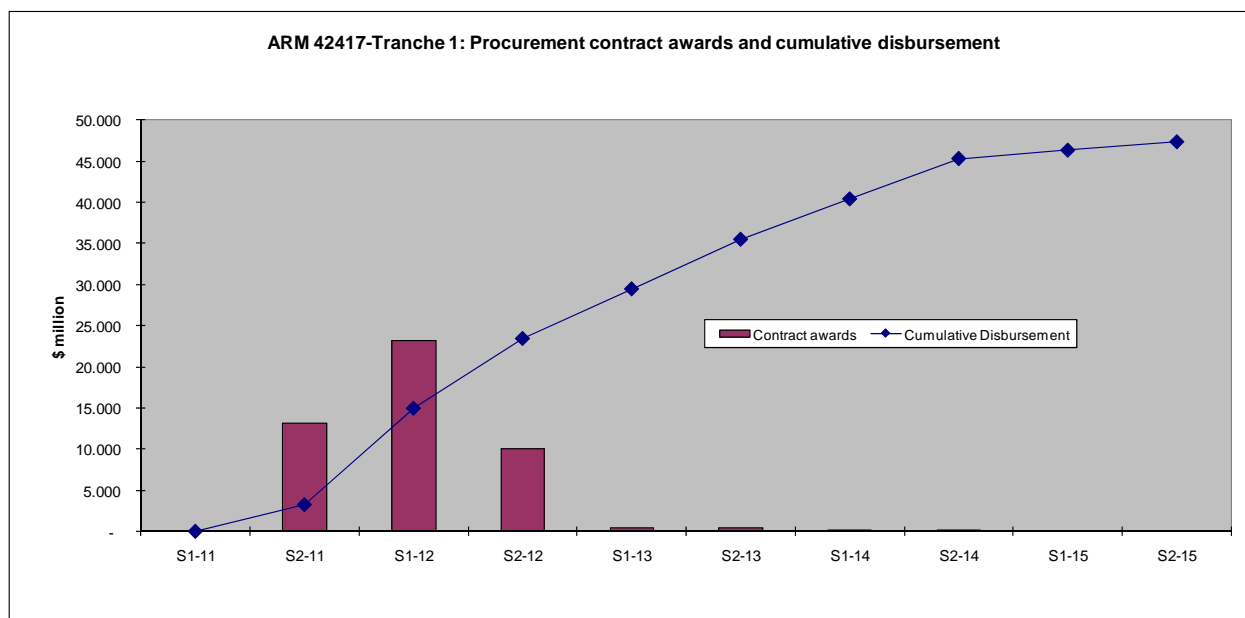
Source: Asian Development Bank.

## F. Contract and Disbursement S-curve

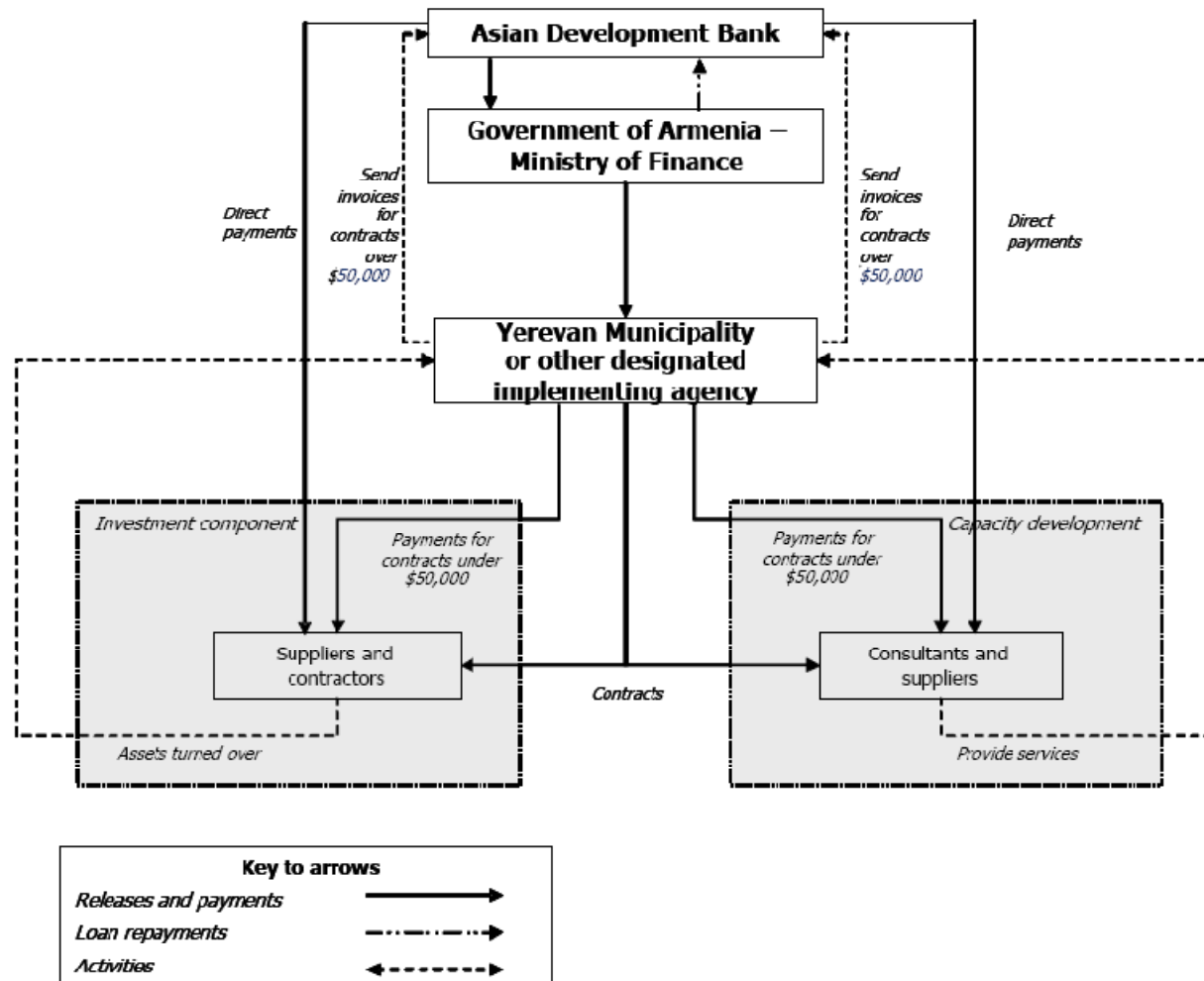
### 1. Indicative Contract Awards and Disbursement Projections

	(\$ million)									
	S1-11	S2-11	S1-12	S2-12	S1-13	S2-13	S1-14	S2-14	S1-15	S2-15
Semi-Annual Contract Awards	-	13.131	23.175	10.045	0.436	0.436	0.053	0.053		
Cumulative Disbursement	-	3.237	14.951	23.428	29.457	35.486	40.388	45.291	46.309	47.327

### 2. Indicative Contract Awards and Disbursement S Curve



## G. Fund Flow Diagram



### ADB:

- verifies invoices
- processes payments
- releases payments to YM or designated IA via imprest account replenishment or directly to contractors, suppliers, or consultants

### Yerevan Municipality or designated IA:

- verifies invoices
- prepares withdrawal applications (WAs)
- submits WAs to ADB

### Ministry of Finance:

- open imprest account at the State Treasury

### Contractors, Consultants, Suppliers:

- submit invoices to Yerevan Municipality or designated IA

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

4. The financial management assessment report is available upon request.

### B. Disbursement

5. The loan proceeds for financing Goods, Works, and consulting services shall be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended to date)<sup>1</sup> Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),<sup>2</sup> ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

6. For every liquidation and replenishment request of the imprest account, MOF with the assistance of Yerevan Municipality or the designated IA will furnish ADB with:

- (i) statement of account (Bank Statement) where the imprest account is maintained,
- (ii) Imprest Account Reconciliation Statement (IARS)<sup>3</sup> reconciling the above mentioned bank statement against the IA's records

7. The following financing and disbursement arrangements<sup>4</sup> will apply for this project:

- (i) Direct payment by ADB
- (ii) Reimbursement
- (iii) Imprest fund procedures
- (iv) Liquidation and replenishment
- (v) Statement of expenditures (SOEs)

8. The minimum value per withdrawal application is US\$100,000, unless otherwise approved by ADB.

9. Claims should be consolidated to meet this limit for reimbursement and imprest account claims

10. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing

11. Withdrawal applications and other loan disbursement information are available at ADB Controller's Department's website, <http://ifis.adb.org>

### 1. Imprest Account

- (i) Separate imprest accounts for each loan

<sup>1</sup> Available at: [http://www.adb.org/Documents/Handbooks/Loan\\_Disbursement/loan-disbursement-final.pdf](http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf)

<sup>2</sup> Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

<sup>3</sup> Follow the format provided in Appendix 30 of the *Loan Disbursement Handbook*.

<sup>4</sup> Available at: [http://www.adb.org/documents/handbooks/loan\\_disbursement/chap-06.pdf](http://www.adb.org/documents/handbooks/loan_disbursement/chap-06.pdf)

- (ii) non-interest-bearing imprest account established at the State Treasury (MOF)
- (iii) maximum amount in account not to exceed 10% of loan amount or the estimated expenditure for next 6 months (through PFR), whichever is lower
- (iv) imprest accounts will be established, managed, and liquidated in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed to by the Government and ADB

## **2. First Withdrawal Application (WA)**

- (i) MOF should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the Government/Beneficiary, together with the authenticated specimen signatures of each authorized person
- (ii) Accomplish the first WA form
- (iii) Attach Estimate of Expenditures Sheet/s<sup>5</sup> for the next 6 months

## **3. Statement of Expenditure (SOE)**

- (i) ADB's SOE procedure may be used to reimburse eligible expenditure and to liquidate advances made into the imprest accounts
- (ii) Any individual payments to be liquidated or reimbursed shall not exceed the equivalent of \$100,000
- (iii) SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.<sup>6</sup>

## **C. Government Financing**

- (i) MOF transfers the proceeds of the loan to Yerevan Municipality or any other implementing agency designated by the Supervisory Board
- (ii) YM or the designated IA pays to contractors, consultants and suppliers based on invoices and accountable expenditure

## **D. Accounting**

12. The Yerevan Municipality or the designated implementing agency will maintain separate accounts and records by loan and in accordance with sound accounting principles. Project accounts will follow international financial reporting standards (IFRS).

## **E. Auditing**

13. The Yerevan Municipality or the designated implementing agency will cause the detailed consolidated Project accounts to be audited in accordance with International Standards on Auditing and/or in accordance with the Government's audit regulations by an auditor acceptable

<sup>5</sup> Follow the format provided in Appendix 29 of the *Loan Disbursement Handbook*.

<sup>6</sup> Checklist for SOE procedures and formats are available at:  
[http://www.adb.org/documents/handbooks/loan\\_disbursement/chap-09.pdf](http://www.adb.org/documents/handbooks/loan_disbursement/chap-09.pdf)  
[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Contracts-100-Below.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-100-Below.xls)  
[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Contracts-Over-100.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-Over-100.xls)  
[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Operating-Costs.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Operating-Costs.xls)  
[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Free-Format.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Free-Format.xls)

to ADB. The audited accounts will be submitted in the English language to ADB within 6 months of the end of the fiscal year (31 December).

14. Annual audit report will include a separate audit opinion on the use of imprest accounts and statement-of-expenditure procedure.

15. ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts shall apply.

## VI. PROCUREMENT AND CONSULTING SERVICES

### Basic Data

<b>Project Name:</b> Sustainable Urban Development Investment Program	
<b>Country:</b> Armenia	<b>Executing Agency:</b> Ministry of Economy
<b>Loan Amount:</b> \$400 million (Tranche 1 = \$48.64 million)	<b>Loan Number:</b> 42417
<b>Date of First Procurement Plan:</b> May 2010	<b>Date of this Procurement Plan:</b> 2 March 2011

### A. Procurement of Goods, Works and Consulting Services

16. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines<sup>7</sup>

17. The procedures to be followed for national competitive bidding shall be those set forth in the Law of Armenia, with the clarifications and modifications described in Section E below as required for compliance with the ADB's Procurement Guidelines (2010, as amended from time to time).

18. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants.<sup>8</sup>

### B. Process Thresholds and Review Requirement

#### 1. Project Procurement Thresholds

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

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works <sup>1</sup>	Between \$1,000,000 and \$10,000,000,
International Competitive Bidding for Goods <sup>1</sup>	Between \$500,000 and \$1,000,000
National Competitive Bidding (NCB) for Works <sup>1</sup>	Beneath that stated for ICB, Works
National Competitive Bidding for Goods <sup>1</sup>	Beneath that stated for ICB, Goods
Shopping for Works	Below \$100,000
Shopping for Goods	Below \$100,000
Direct contracting for works and goods	<= \$10,000

<sup>1</sup> Refer to Para. 3 of PAI 3.04 National Competitive Bidding

#### 2. ADB Prior or Post Review

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

<sup>7</sup> Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

<sup>8</sup> Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

Procurement Method	Prior or Post	Comments
<b>Procurement of Goods and Works</b>		
ICB Works	Prior	ADB SBD
ICB Goods	Prior	ADB SBD. For specific metro equipments, IA will be authorized to contract with suppliers from non-members countries <sup>9</sup>
NCB Works	Prior and Post	ADB SBD (prior followed by post) Usage subject to review of the borrower's public procurement laws and regulations. Prior review applies to the procurement of the first NCB contract by the project management unit. If first contract procured satisfactorily, thereafter post review.
NCB Goods	Prior and Post	
Shopping for Works and Goods	Post	ADB SBD
Direct contracting for Works and Goods	Post	ADB SBD
<b>Recruitment of Consulting Firms</b>		
Quality- and Cost-Based Selection (QCBS)	Prior	QCBS 80:20 or 90:10 RFP
Quality-Based Selection (QBS)	Prior	RFP
Other Selection Methods: Consultants Qualifications (CQS), Least-Cost Selection (LCS), Fixed Budget (FBS), and Single Source (SSS)	Prior	RFP
<b>Recruitment of Individual Consultants</b>		
Individual Consultants	Prior	Bio data Applied in accordance with Section 2.34, <i>Guidelines on the Use of Consultants</i> (2010, as amended from time to time)

ADB = Asian Development Bank, ICB = international competitive bidding, NCB = national competitive bidding, RFP = request for proposals, SBD = standard bidding documents.

## C. Tentative Procurement Plan (Tranche 1)

### 1. Goods and Works Contracts Estimated to Cost More Than \$1 Million

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

General Description	Contract Value (cumulative \$Million)	Procurement Method and prequalification	Estimated Number of Contracts	Advertiseme nt Date (quarter/year)	Comments
Argavand Highway– Shirak St (West)	\$23.16	1	ICB (includes prequalification)	–	If contractor has capacity and show interest, turnkey modality will be applied. TBC during EPCM
Artashat Highway– Shirak St. and St. Tamanciner section (South-West)	\$18.35	1	ICB (includes prequalification)	–	If contractor has capacity and show interest, turnkey modality will be applied. TBC during EPCM

<sup>9</sup> Subject to ADB board approval

## 2. Consulting Services Contracts Estimated to Cost More Than \$100,000

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

General Description	Contract Value (cumulative)	Procurement or Recruitment Method	Estimated Number of Contracts	Advertisement Date (quarter/year)	International or National Assignment	Comments
Engineering, procurement, project management and supervision	\$4.15	QCBS-90:10	2	II-2011	International	To be confirmed during loan inception mission
Preparation of Tranche 2 projects	\$2.14	QCBS <sup>10</sup> 80:20	3	II-2011	International/ National	To be confirmed during loan inception mission
Advisory services for audit, safeguard monitoring and program evaluation	\$0.50	QCBS <sup>3</sup> 80:20	Multiple	II-2011	International/ National	To be confirmed during loan inception mission
Training on project management, procurement, financial and safeguards management	\$0.39	ADB procedures for recruitment of individual consultants <sup>3</sup>	4	II-2011	International/ National	To be confirmed during loan inception mission
PIU incremental administration	\$0.40	ADB procedures for recruitment of individual consultants	multiple	II-2011	International/ National	To be confirmed during loan inception mission
Tariff and ticketing system, accessibility and multimodal information and transport reorganization	\$0.22	QCBS <sup>3</sup> 90:10	multiple	I-2012	International/ National	To be confirmed during loan inception mission

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

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

General Description	Contract Value (cumulative)	Procurement Method and prequalification	Estimated Number of Contracts	Advertisement Date (quarter/year)	Comments
Tariff and ticketing system, accessibility and multimodal information and transport reorganization	\$0.90	ICB/NCB and shopping (no prequalification)	Multiple	I-2012	To be refined during Loan inception
Equipment, softwares, traffic model, reference documents and awareness	\$0.40	NCB and shopping (no prequalification)	Multiple	I-2012	To be refined during Loan inception

<sup>10</sup> Under specific circumstances, alternative consulting services recruitment methods such as QCBS/QBS/FBS/CQS/LCS/CQS/SSS or ADB procedures for recruitment of individual consultants could be used but will require previous endorsement from COSO

## **D. Indicative List of Packages Required Under the Project**

24. Refer to Part C, Sections 1-3.

## **E. Contract Awards and Disbursement**

25. Appendix 2 presents a graph for contract awards and disbursement projections until Loan closing for Tranche 1 investment (to be confirmed during Inception Mission)

## **F. National Competitive Bidding (NCB)**

### **1. General**

26. The procedures to be followed for national competitive bidding shall be the open tender method (including the two-stage where appropriate) set forth in the Law on Procurements of 1 January 2005 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB, Procurement Guidelines ("Guidelines").

### **2. Eligibility**

27. The eligibility of bidders shall be as defined under section I of the Guidelines; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those provided in section I of the Guidelines. Bidders must be nationals of member countries of ADB, and offered goods, services, and works must be produced in and supplied from member countries of ADB.

### **3. Prequalification**

28. Normally, postqualification shall be used, unless prequalification is explicitly provided for in the Loan Agreement/Procurement Plan. Domestic and Foreign Contractors shall be allowed to participate in bid exercises using postqualification procedure. In case prequalification of contractors is stipulated in the Loan Agreement/Procurement Plan, domestic and foreign contractors shall be allowed to participate in the prequalification exercise.

### **4. Registration and Licensing**

- (i) Bidding shall not be restricted to pre-registered/licensed firms.
- (ii) Where registration or licensing is required, bidders (i) shall be allowed a reasonable time to complete the registration or licensing process; and (ii) shall not be denied registration/licensing for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders shall not be precluded from bidding. If a registration or licensing process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register or to obtain a license.

### **5. Bidding Period**

29. The minimum bidding period is twenty-eight (28) days prior to the deadline for the submission of bids.

## **6. Bidding Documents**

30. Procuring entities should use standard bidding documents for the procurement of goods, works and services acceptable to (ADB).

## **7. Preferences**

31. No domestic preference shall be given for domestic bidders and for domestically manufactured goods.

## **8. Advertising**

32. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids.

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

## **9. Securities**

(i) Bid Security (tender security)

Where required, bid security shall be in the form of a bank guarantee from a reputable bank.

(ii) Performance Security (contract execution security)

Performance security shall be provided within twenty-eight (28) days of the notification of contract award.

## **10. Bid Opening and Bid Evaluation**

(i) Bids shall be opened in public.

(ii) No bid shall be declared invalid/rejected at the time of bid opening.

(iii) Minutes/Record of Bid Opening shall be provided to all bidders.

(iv) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated bidder.

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

(vi) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without ADB's prior concurrence.

(vii) A contract shall be awarded to the technically responsive bidder that offers the lowest evaluated price, and meets the qualifying requirements. Negotiations shall not be permitted.

(viii) Price verification shall not be applied.

## **11. Rejection of All Bids and Rebidding**

34. Bids shall not be rejected and new bids solicited without ADB's prior concurrence. Bids shall not be declared invalid because of procedural delays on the part of executing agencies without prior ADB's approval.

## **12. Participation by Government-owned enterprises**

35. Government-owned enterprises in the Republic of Armenia shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority/executing agency/implementing agency. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

## **13. Right to Inspect/Audit**

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

## **14. Fraud and corruption**

- (i) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
- (ii) The Bank (ADB) will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, ADB-financed contract.

## **15. Joint Venture and Estimated Contract Prices**

- (i) Joint venture partners shall be jointly and severally liable for their obligations.
- (ii) Estimated contract prices shall not be advertised.

## **16. Disclosure of Decision on Contract Awards**

37. At the same time that notification on award of contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or a well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each Bidder who submitted a Bid, (ii) bid prices as read out at bid opening; (iii) name of bidders whose bids were rejected and the reasons for their rejection, and (iv) name of the winning Bidder, and the price it offered, as well as duration and summary scope of the contract awarded. The executing agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

## **G. Review of Contract Modifications**

38. ADB will review contract modifications in accordance with the procedures set forth in the respective loan agreement between the Borrower and ADB.

## VII. SAFEGUARDS

### A. Environment

39. Tranche 1 classified as environmental category B under ADB's Safeguard Policy Statement, 2009.<sup>11</sup> The environmental assessment and review and framework (EARF) is detailed in RRP Linked document 11 and will be updated before every PFR signing. The initial environmental examinations (IEE) are detailed in RRP Linked document 10 and will be updated every 6 months if necessary. The Environmental Management and Monitoring Plan will be updated during detailed engineering design and incorporated in bidding documents and civil works contracts.

### B. Land Acquisition and Resettlement (LAR)

40. Tranche 1 is classified as involuntary resettlement category A – major impact under ADB's Safeguard Policy Statement, 2009.<sup>12</sup> The land acquisition and resettlement framework (LARF) is detailed in RRP Linked document 13 and will be updated before every PFR signing. LAR Plans are detailed in RRP Linked document 12.

### C. Indigenous People

41. The Project is not expected to affect indigenous people as defined under the ADB's Safeguard Policy Statement, 2009.<sup>13</sup>

### D. Other Safeguards

42. A summary poverty reduction and social strategy (SPRSS) is in RRP Linked document 8.

43. A Gender Action Plan (GAP) is in RRP Linked document 9

---

<sup>11</sup> Updated from ADB's *Environment Policy*, 2002.

<sup>12</sup> Updated from ADB's *Policy on Involuntary Resettlement*, 1995.

<sup>13</sup> Updated from ADB's *Policy on Indigenous Peoples*, 1998.

## **VIII. GENDER AND SOCIAL DIMENSIONS**

### **A. Gender Action Plan**

#### **1. Infrastructure Improvement Component**

- Installation of special facilities for pregnant women ('wall plates') in Yerevan Metro carriages, and construction of special facilities for women with kids carrying perambulators ('lifter devices') in Yeritasardakan Metro Station
- Improving the existing "washing facilities" of Yerevan Metro carriages and cars in transport sector performed mostly by men
- Increasing percentage of females in decision making positions in YDPIU and selected transport sector agencies
- Ensuring collection of sex-disaggregated baseline information and monitor and evaluate trends in relevant transport sector's agencies

#### **2. Institutional Development Capacity**

- Ensuring women's equal participation in the development of institutional reform
- Ensuring presence of the GFP in Yerevan Urban Transport reorganization scheme

#### **3. Program Management Capacity**

- Identifying Gender Focal Points in Yerevan Municipality or designated IA, Yerevan Development PIU, Yerevan Metro, MOTC and MOLSI and creating a project's GAD Network; recruiting a Gender Specialist in IA
- GAD network establishing network with NGOs: "Drivers association", "Association for security driving" and NRSC ("Umbrella NGO")
- Conducting a series of gender awareness training for the relevant staff in Yerevan Municipality, MOTC, Yerevan Metro
- Conducting needs assessment for training modules for men and women working in the transport sector (separate and mixed target groups)
- Developing and holding training modules based on needs assessment and stakeholder analyses (in the mixed and separate gender target groups) for the selected beneficiaries and interested and involved agencies in transport sector
- Identifying and recruiting local NGOs as IA to conduct selected training modules
- Ensure collection of GAD baseline and end-line information and inclusion of GAD issues in social profile at Project's implementation and completion phases
- Ensure gender-balanced composition and equal pay of IA
- Capacity development training, IA's consultation with MOTC on GAP
- Development of monitoring tool and regular reporting system

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

### A. Project Design and Monitoring Framework

44. The design and monitoring framework is in Appendix 1 of the RRP.

### B. Monitoring

#### 1. Project Performance Monitoring

45. Refer to ADB's project performance reporting system<sup>14</sup>

#### 2. Compliance Monitoring

46. Compliance monitoring system will be developed during loan inception mission.

#### 3. Safeguard monitoring

47. **Involuntary resettlement.** Due diligence report prepared and consultations carried out.

48. **Environment.** Due diligence report prepared and consultations carried out.

#### 4. Gender and Social Dimensions monitoring<sup>15</sup>

49. **Gender.** A gender specialist will be appointed in the IA and will monitor the implementation of the gender action plan. In addition, an ADB gender specialist has been recruited for the region and will also follow the progress of the GAP implementation.

50. **Labor.** Civil works contracts will stipulate priorities to (i) employ local people, (ii) ensure equal opportunities for women and men for work, (iii) pay wages promptly, and (iv) not employ child or forced labor

51. **Other Risks and/or vulnerabilities.** The Project will complement ongoing awareness programs through an information, education, and communication campaign covering HIV/AIDS and sexually transmitted infections for construction workers

### C. Evaluation

52. Within 6 months of physical completion of the Project, IA will submit a project completion report<sup>16</sup> to ADB.

<sup>14</sup> ADB's project performance reporting system is available at:

<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

<sup>15</sup> Staff Guide to Consultation and Participation: <http://www.adb.org/participation/toolkit-staff-guide.asp> and CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

<sup>16</sup> Project completion report format available at:

<http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

**D. Reporting**

53. IA will provide ADB with
- (i) quarterly progress reports in a format consistent with ADB's project performance reporting system
  - (ii) consolidated annual reports including
    - progress achieved by output as measured through the indicator's performance targets
    - key implementation issues and solutions
    - updated procurement plan and
    - updated implementation plan for next 12 months
  - (iii) a project completion report within 6 months of physical completion of the Project
54. To ensure projects continue to be both viable and sustainable, project accounts and the executing agency's annual financial statement (AFS), together with the associated auditor's report, should be adequately reviewed.

**E. Stakeholder Communication Strategy**

55. To be developed during loan inception mission.

## **X. ANTICORRUPTION POLICY, TRANSPARENCY AND ACCOUNTABILITY**

### **A. Anticorruption**

56. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.<sup>17</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.<sup>18</sup>

57. To support these efforts, relevant provisions are included in the Framework Financing Agreement and the bidding documents for the Project.<sup>19</sup>

### **B. Transparency and Good Governance**

58. The Government will disclose to the public, and update annually

- (i) the current status of the Project
- (ii) how the proceeds of the loan are used

59. For each contract financed under the Project, the IA will disclose on its website information on, among others, the:

- (i) list of participating bidders
- (ii) name of the winning bidder
- (iii) basic details on bidding procedures and procurement methods adopted
- (iv) amount of contract awarded
- (v) list of goods/services, including consulting services procured
- (vi) intended and actual utilization of the loan proceeds

<sup>17</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>18</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

<sup>19</sup> GACAP II Guidelines available at: <http://www.adb.org/Documents/Guidelines/GACAP-II-Guidelines.pdf>. See also Sourcebook: Diagnostics to Assist Preparation of Governance Risk Assessments: <http://www.adb.org/documents/books/Diagnostics-to-Assist-Preparation-of-GRAs/default.asp>.

## **XI. ACCOUNTABILITY MECHANISM**

60. People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.<sup>20</sup>

---

<sup>20</sup> For further information see: <http://compliance.adb.org/>.

**XII. RECORD OF FAM CHANGES**

61. The following table sums up dates and main revisions/updates of the FAM during course of implementation.

Revision N°	Date	Main changes	Comments

## **APPENDIX**

### **QUARTERLY PROGRESS REPORT FORMAT**

All information to be provided for quarterly preceding issuance of report and completed by a recapitulation showing status from project inception.

#### **Section A: Implementation Progress**

1. General data on progress in implementation
2. Problems encountered and resolved
3. Other issues pending
4. Other information or data relevant for project
5. Safeguard compliance on projects
6. Updated implementation progress (attach excel spreadsheet on implementation plan)

#### **Section B: Procurement Information**

1. Detailed report on procurement activities
  - a) Status of bidding documents
  - b) Status of bids in progress
  - c) Contracts awarded
  - d) Contracts closed
  - e) Contracts with issues
2. Procurement plan for next quarter (or updated procurement plan spreadsheet)

#### **Section C: Financial Information**

1. Disbursement status
2. Special account status
3. Loan commitments
4. Contract payments
5. Status of audits
6. Other financial management issues

#### **Section D: Other Information**

1. Major/minor change in scope
  - a) Cost escalations
  - b) Revision in cost category
  - c) Change in implementation procedures
2. Major activities planned for next quarter