

Audited Project Financial Statements

Project Number: 46293-004

Loan Number: 3194-CAM

Period covered: 1 January 2021 to 31 December 2021

Cambodia: Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

Prepared by the Ministry of Tourism

For the Asian Development Bank

Date received by ADB: 27 June 2022

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ROYAL GOVERNMENT OF CAMBODIA
MINISTRY OF TOURISM AND
MINISTRY OF PUBLIC WORK AND TRANSPORT
Greater Mekong Subregion Tourism Infrastructure
for Inclusive Growth Project
ADB Loan No. 3194 – CAM (COL)

Combined Financial Statements
and
Combined Statement of Compliance
for the year ended 31 December 2021

Project information

Project Title	Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project
Project Number	46293-004
Project Status	Active
Sector/Subsector	Industry and trade / Small and medium enterprise development - Trade and services Transport / Water transport (non-urban) Water and other urban infrastructure and services/ Urban sanitation
Executive Agencies	Royal Government of Cambodia Ministry of Tourism Ministry of Public Work and Transport
Sources of Fund	Asian Development Bank Loan No. 3194 – CAM (COL) Royal Government Cambodia
Project Period	18 December 2014 to 30 June 2022
Project Cost	US\$18,770,000
Reporting Period	For the period from 1 January to 31 December
Principal Banker	National Bank of Cambodia
Auditors	KPMG Cambodia Ltd

Ministry of Tourism
Ministry of Public Work and Transport

Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project
ADB Loan No. 3194 – CAM (COL)

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PART I

Combined Financial Statements for the year ended 31 December 2021 and Report of the Independent Auditors

Combined statement by the management

We, the undersigned, do hereby state that in our opinion, the accompanying combined financial statements, which comprise the combined statement of financial position as at 31 December 2021, the combined statement of receipts and expenditure, and the combined statement of advance account for the year then ended and notes, as set out on pages 5 to 28 of the Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project ("the Project"), financed under the Asian Development Bank Loan No. 3194 – CAM (COL) and implemented by the Ministry of Tourism ("MOT") and the Ministry of Public Work and Transport ("MPWT") (collectively known as "the Executing Agency" or "EA"), are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the combined financial statements.

Signed on behalf of the Project's management,



H.E Sok Sokun
Project Manager
Ministry of Tourism



H.E Mak Sideth
Project Director
Ministry of Public work and Transport

Phnom Penh, Kingdom of Cambodia

31 May 2022



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Report of the independent auditors To the Ministry of Economy and Finance Royal Government of Cambodia

Opinion

We have audited the accompanying combined financial statements of the Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project ("the Project"), financed under the Asian Development Bank Loan No. 3194 – CAM (COL) and implemented by the Ministry of Tourism ("MOT") and the Ministry of Public Work and Transport ("MPWT") (collectively known as "the Executing Agency" or "EA"), which comprise the combined statement of financial position as at 31 December 2021, the combined statement of receipts and expenditure, and the combined statement of advance account for the year then ended and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 28 (hereafter referred to as "combined financial statements").

In our opinion, the accompanying combined financial statements are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies as described in Note 2 to the combined financial statements.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the combined financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the combined financial statements, which describes the basis of accounting and the accounting policies adopted by the Project. The combined financial statements are prepared for the information of and use by the management of the Project, the Ministry of Economy and Finance (“MEF”) and the Asian Development Bank (“ADB”). As a result, the combined financial statements may not be suitable for another purpose. Our audit report is intended solely for the management of the Project, MEF and ADB and should not be used by other parties other than the management of the Project, MEF and ADB. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation of the combined financial statements in accordance with the basis of accounting and the accounting policies described in Note 2 to the combined financial statements, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the EA’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditors’ Responsibility for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on EA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the EA to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For KPMG Cambodia Ltd



Guek Teav
Partner

Phnom Penh, Kingdom of Cambodia

31 May 2022

**Ministry of Tourism
Ministry of Public Work and Transport**

Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

**Combined statement of financial position
as at 31 December 2021**

	Note	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Current assets			
Cash and bank balances	3	79,414	250,974
Advances	4	-	8,701
		<u>79,414</u>	<u>259,675</u>
Current liability			
Amount due to staff	5	16,445	-
		<u>62,969</u>	<u>259,675</u>
Represented by:			
Fund balance at end of the year		<u>62,969</u>	<u>259,675</u>



H.E Sok Sokun
Project Manager
Ministry of Tourism



H.E Mak Sideth
Project Director
Ministry of Public Work and Transport

Phnom Penh, Kingdom of Cambodia

31 May 2022

The accompanying notes form an integral part of these combined financial statements.


Ministry of Tourism
Ministry of Public Work and Transport

Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

**Combined statement of receipts and expenditure
for the year ended 31 December 2021**

	Note	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
Receipts				
Asian Development Bank	6(a)	5,329,057	3,473,303	13,646,500
Royal Government of Cambodia	6(b)	33,075	31,805	365,140
		<u>5,362,132</u>	<u>3,505,108</u>	<u>14,011,640</u>
Expenditure by Disbursement category				
	7			
Civil works	8	4,600,434	2,729,445	8,400,236
Equipment and vehicles	9	60,860	-	716,886
Consulting services	10	506,179	444,235	2,559,249
Capacity building and training	11	87,855	56,161	1,042,638
Recurrent costs	12	216,085	100,099	1,003,337
Interest charge	6(a)	87,425	55,561	226,325
		<u>5,558,838</u>	<u>3,385,501</u>	<u>13,948,671</u>
(Deficit)/Excess of receipts over expenditure		(196,706)	119,607	<u>62,969</u>
Fund balance at beginning of the year		<u>259,675</u>	<u>140,068</u>	
Fund balance at end of the year		<u><u>62,969</u></u>	<u><u>259,675</u></u>	



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**Ministry of Tourism
Ministry of Public Work and Transport**

Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

**Combined statement of advance account
for the year ended 31 December 2021**

	Note	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
Receipts				
Asian Development Bank	6(a)	489,013	338,240	4,600,551
Expenditure by Disbursement category				
Civil works	8	255,711	-	713,715
Equipment and vehicles	9	60,860	-	341,736
Consulting services	10	98,283	94,178	1,801,296
Capacity building and training	11	87,855	56,161	1,042,638
Recurrent costs	12	163,725	56,239	622,182
		666,434	206,578	4,521,567
(Deficit)/Excess of receipts over expenditure		(177,421)	131,662	78,984
Fund balance at beginning of the year		256,405	124,743	
Fund balance at end of the year		78,984	256,405	
Represented by:				
Cash and bank balances	3	78,984	247,704	
Advances	4	-	8,701	
Fund balance at end of the year		78,984	256,405	



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Project Manager
Ministry of Tourism

Phnom Penh, Kingdom of Cambodia
31 May 2022



H.E Mak Sideth
Project Director
Ministry of Public Work and Transport

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements
for the year ended 31 December 2021

These notes form an integral part of, and should be read in conjunction with, the accompanying combined financial statements.

1. Background and activities

The Loan Agreement No. 3194 – CAM (COL) for Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (“the Project”) between the Asian Development Bank (“ADB”) and the Royal Government of Cambodia (“RGC”) (represented by the Ministry of Economy and Finance) was signed on 18 December 2014, where by the ADB agreed to offer loan amounting to Special Drawing Rights 12,170,000 equivalent to US\$18 million at the time of loan negotiation and RGC will contribute US\$0.77 million (about 4.1% of total costs of the Project) to cover government staff salaries and in-kind expenditure. The Project is estimated to be cost at US\$18.77 million.

The effective date of the Project was 30 March 2015 and the Project is expected to be completed by 30 June 2020. However, the Project was extended to 31 December 2021 according to the approved letter from ADB dated on 5 June 2020. On 20 December 2022, the Project obtained an approval from ADB for another 6-month extension of the loan closing date for the captioned project from 31 December 2021 to 30 June 2022.

The Ministry of Tourism (“MOT”) is the Executing Agency (“EA”) or Project Coordination Unit (“PCU”) for the Project responsible for the overall management of the Project, with the following Implementing Agencies (“IAs”) or Project Implementation Units (“PIU”), namely Kampot, Kep, and Koh Kong (“the Participating Provinces”).

During the special Project Administration Mission conducted in March 2020, it was recommended by MEF, MOT, MPWT and ADB at the project level that implementation of Kampot Pier subproject and PMCES contract should be directly managed by MPWT. This recommendation was officially endorsed by the Minister of Economy and Finance and the Minister of Tourism as indicated in MEF and MOT letters dated 21 May 2020 and 14 July 2020, respectively.

The objective of the Project is to increase tourism receipts and tourism employment for men and women in the Participating Provinces. The Project shall comprise the following Outputs:

- (a) Improved last-mile tourism access infrastructure.
- (b) Improved environmental services in cross-border tourism centres.
- (c) Strengthened institutional capacity to promote inclusive tourism growth.
- (d) Effective project implementation and knowledge management.

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

1. Background and activities(continued)

ADB Loan No. 3194 – CAM (COL) is repayable in semi-annual instalments based on the principal amount of the loan on each 1 February and 1 August commencing on 30 March 2015 and ending on 1 August 2046. An interest rate of 1% per annum during the grace period prior to the payment of the first principal amount of the loan, and 1.5% per annum, thereafter, on the amount of loan withdrawn from the ADB and outstanding balance from time to time. The table below sets forth the categories of items of expenditure to be financed out of the proceeds of the ADB Loan No. 3194 – CAM (COL).

The allocation of amounts of the Loan to each such category were as follow:

No.	Category			ADB Financing
	Item	Total Amount Allocated for ADB Financing (SDR) Category	Reallocate Amount Allocated for ADB Financing (SDR) Category	Percentage and Basis for Withdrawal from the Loan Account
1	Civil works	7,891,000	7,496,506	100% of total expenditure claimed
2	Equipment	763,000	1,105,366	100% of total expenditure claimed
3	Consulting services	1,866,712	2,094,956	100% of total expenditure claimed
4	Capacity building and training	663,000	715,068	100% of total expenditure claimed
5	Recurrent costs*	465,000	492,104	100% of total expenditure claimed
6	Interest charge	266,000	266,000	100% of amounts due
7	Unallocated	255,288	-	
	Total	12,170,000	12,170,000	

* Exclusive of salary allowance/ supplement for staff.

2. Significant accounting policies

(a) Basis of accounting

The combined financial statements, which are expressed in the United States Dollars ("US\$"), have been prepared in accordance with a modified cash receipts and disbursements basis of accounting. This is a basis of accounting that is designed to meet the requirements of the Project; it is not designed to produce combined financial statements that are compatible with International Financial Reporting Standards.

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

2. Significant accounting policies (continued)

(a) Basis of accounting (continued)

Under this basis of accounting, income is recognised when funds are received in cash and expenditure is recognised when payments are made rather than when it is incurred, except for the advance to staff and amount due from Project Implementation Unit are initially recognised as a receivable and only recognised as payments when they have been liquidated by supporting invoices.

The combined financial statements are prepared for the information of and use by the management of the Project, the MEF and the ADB. As a result, the combined financial statements may not be suitable for another purpose.

(b) Combined statement of advance account

The combined statement of advance account is prepared in accordance with the Loan Agreement, and is purely used to receive and disburse for expenditure financed by the ADB loan proceeds.

(c) Non-expendable equipment

The cost of non-expendable equipment is charged to the combined statement of receipts and expenditure and statement of advance account upon acquisition. For control and management purposes, a memorandum account for non-expendable equipment is maintained by way of a non-expendable equipment listing.

(d) Foreign currency transactions

The Project transacts its operations and maintains its accounting records primarily in United States Dollars ("US\$"). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates. Cash and bank balances in currencies other than US\$ are translated into US\$ at the open market rates of exchange at the year end date. All foreign exchange differences are recognised in the statement of receipts and expenditure.

(e) Interest charge

The interest charge by the ADB is accounted for in the combined statement of receipts and expenditure as receipts and corresponding expenditure.

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

2. Significant accounting policies (continued)

(f) In-kind contribution

All in-kind contribution from RGC to the project is not accounted for in the combined statement of receipts and expenditure. In-kind contribution is disclosed in the combined financial statements for information only.

3. Cash and bank balances

	As at 31 December 2021			As at 31 December 2020
	ADB US\$	RGC US\$	Total US\$	US\$
Cash on hand				
MPWT	-	-	-	-
MOT	1,468	-	1,468	1,227
	<u>1,468</u>	<u>-</u>	<u>1,468</u>	<u>1,227</u>
Cash at banks:				
Advance account – ADB				
MPWT	-	-	-	-
MOT	77,516	-	77,516	246,477
	<u>77,516</u>	<u>-</u>	<u>77,516</u>	<u>246,477</u>
Advance account – Government Counterpart Fund				
MPWT	-	-	-	-
MOT	-	430	430	3,270
	<u>-</u>	<u>430</u>	<u>430</u>	<u>3,270</u>
	<u>77,516</u>	<u>430</u>	<u>77,946</u>	<u>249,747</u>
	<u>78,984</u>	<u>430</u>	<u>79,414</u>	<u>250,974</u>

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

4. Advances

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Advance to Project Implementation Unit (*)		
MOT	-	8,701

(*) This represents the advance from EA to each Project Implementation Unit as at year end.

5. Amount due to staff

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
RGC		
Salary payable to staff:		
MPWT	8,500	-
MOT	7,945	-
	<u>16,445</u>	<u>-</u>

This represents the salary payable to project staff for the month from August to December 2021. The salary payable under MOT was subsequently settled on 2 March 2022. At the date of this report, the Project has not yet settled the MPWT's salary payable.

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

6. Receipts

		Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
(a) Asian Development Bank				
Initial advance				
MOT		-	-	636,425
Replenishment				
MOT		489,013	338,240	3,964,126
<i>Total advance account</i>	<i>(i)</i>	<u>489,013</u>	<u>338,240</u>	<u>4,600,551</u>
Direct payments				
MOT		-	2,224,560	3,212,063
MPWT		4,752,619	854,942	5,607,561
		<u>4,752,619</u>	<u>3,079,502</u>	<u>8,819,624</u>
Interest charge				
MOT		87,425	55,561	226,325
<i>Total Direct payment</i>	<i>(ii)</i>	<u>4,840,044</u>	<u>3,135,063</u>	<u>9,045,949</u>
		<u>5,329,057</u>	<u>3,473,303</u>	<u>13,646,500</u>
(b) Government counterpart fund				
Advance account	<i>(iii)</i>			
MOT		12,670	31,805	344,735
MPWT		20,405	-	20,405
		<u>33,075</u>	<u>31,805</u>	<u>365,140</u>
Total fund receipts		<u>5,362,132</u>	<u>3,505,108</u>	<u>14,011,640</u>

Ministry of Tourism
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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

6. Receipts (continued)

- (i) The receipts from Asian Development Bank Loan No. 3194 – CAM (COL) were paid into the advance account co-held by the Ministry of Economy and Finance (“MEF”) and the Ministry of Tourism at the National Bank of Cambodia. This is a separate bank account held exclusively for ADB Loan No. 3194 – CAM (COL). The receipts were then disbursed to Project Implementation Units (“PIU”) bank accounts at Kampot, Kep and Koh Kong.
- (ii) Direct payments represent payments made by ADB directly to the suppliers on behalf of the Project.
- (iii) The contribution from Royal Government of Cambodia was paid into Government Counterpart Fund’s account held by the Ministry of Economy and Finance at the National Bank of Cambodia.

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

**Notes to the combined financial statements (continued)
for the year ended 31 December 2021**

7. Payment by category and financier

Particulars	ADB			RGC			Total
	% of financing	Actual expenditure		% of financing	Actual expenditure		
		US\$	%		US\$	%	
Civil works	100	4,600,434	100	-	-	US\$	US\$
Equipment and vehicles	100	60,860	100	-	-	-	4,600,434
Consulting services	100	506,179	100	-	-	-	60,860
Capacity building and training	100	87,855	100	-	-	-	506,179
Recurrent costs	100	163,725	100	100	100	52,360	87,855
Interest charge	100	87,425	100	-	-	-	216,085
Total payments – for year ended 31 December 2021		5,506,478				52,360	87,425
Cumulative expenditure – for the period from 30 March 2015 to 31 December 2021		13,567,516				381,155	5,558,838
Total project cost		18,000,000				770,000	13,948,671
% of total project costs – for year ended 31 December 2021		30.59%				6.80%	18,770,000
% of cumulative costs – for the period from 30 March 2015 to 31 December 2021		75.38%				49.50%	29.62%
							74.31%

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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

8. Civil works

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
Advance account:			
MOT	255,711	-	713,715
MPWT	-	-	-
	<u>255,711</u>	<u>-</u>	<u>713,715</u>
Direct payments:			
MOT	-	1,874,503	2,486,856
MPWT	4,344,723	854,942	5,199,665
	<u>4,344,723</u>	<u>2,729,445</u>	<u>7,686,521</u>
	<u>4,600,434</u>	<u>2,729,445</u>	<u>8,400,236</u>

9. Equipment and vehicles

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
Advance account:			
MOT			
Vehicle	-	-	24,580
Office equipment	60,860	-	284,921
Office furniture	-	-	20,865
Other support costs	-	-	11,370
	<u>60,860</u>	<u>-</u>	<u>341,736</u>
Direct payments:			
MOT			
Vehicle	-	-	159,600
Office equipment	-	-	215,550
	<u>-</u>	<u>-</u>	<u>375,150</u>
	<u>60,860</u>	<u>-</u>	<u>716,886</u>

Ministry of Tourism
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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

10. Consulting services

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
Advance account:			
MOT			
International consultants	32,552	81,138	1,436,738
National consultants	65,731	13,040	364,558
	<u>98,283</u>	<u>94,178</u>	<u>1,801,296</u>
Direct payments:			
MOT			
International consultants	-	350,057	350,057
MPWT			
International consultants	407,896	-	407,896
	<u>407,896</u>	<u>350,057</u>	<u>757,953</u>
	<u>506,179</u>	<u>444,235</u>	<u>2,559,249</u>

Ministry of Tourism
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Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3194 – CAM (COL)

Notes to the combined financial statements (continued)
for the year ended 31 December 2021

11. Capacity building and training

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
Advance account:			
MOT			
Institutional Strengthening of Destination Management Organisation (DMO)	-	-	31,935
Preparation of Destination Management Plan (DMP)	-	10,382	82,232
Heritage Protection, Management and Interpretation Program	-	-	47,372
Development of Tourism-Related Micro and Small Enterprises (MSEs)	7,240	-	134,040
Destination Marketing and Promotion Program	41,652	12,714	311,152
Public Health and Safety Promotion Program	1,798	1,105	105,189
Project training and monitoring	8,485	14,141	105,433
Social and Environmental Safeguards	21,503	-	39,553
Sub-regional activities	-	17,819	178,555
	<u>80,678</u>	<u>56,161</u>	<u>1,035,461</u>
MPWT			
Training and workshop	<u>7,177</u>	<u>-</u>	<u>7,177</u>
	<u>87,855</u>	<u>56,161</u>	<u>1,042,638</u>

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12. Recurrent costs

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
Advance account:			
ADB			
MOT			
Office running costs	4,534	11,497	83,718
Internet and communication	3,141	3,570	29,062
Staff outsourcing	6,840	21,246	168,378
Fuel and travelling costs	6,441	6,264	82,351
Daily subsistence allowance	17,344	13,662	133,248
	<u>38,300</u>	<u>56,239</u>	<u>496,757</u>
MPWT			
Office running costs	13,047	-	13,047
Fuel and travelling costs	16,198	-	16,198
Daily subsistence allowance	96,180	-	96,180
	<u>125,425</u>	<u>-</u>	<u>125,425</u>
	<u>163,725</u>	<u>56,239</u>	<u>622,182</u>
Government contribution			
MOT			
Government staff (i)	23,455	43,860	289,250
In-kind expenditure on (ii)			
Office rental	-	-	47,700
Utilities	-	-	15,300
	<u>23,455</u>	<u>43,860</u>	<u>352,250</u>
MPWT			
Government staff	28,905	-	28,905
	<u>52,360</u>	<u>43,860</u>	<u>381,155</u>
	<u>216,085</u>	<u>100,099</u>	<u>1,003,337</u>

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12. Recurrent costs (continued)

- (i) The government staff are staff who were appointed by the Ministry of Tourism with approval from the Ministry of Economy and Finance to work for the Project, which were fully funded by the Government Counterpart Fund.
- (ii) The contribution in-kind by the RGC was not recorded in the statement of receipts and expenditure, effective from 1 January 2016.

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13. Combined statement of withdrawals

Withdrawal Application			Category							
No	Request date	Currency	Civil works	Equipment and vehicles	Consulting services	Capacity building and training	Recurrent costs	Interest charge	Advance	Total
Year ended 31 December 2021										
ADB fund										
Advance account										
MOT										
0032	19-Mar-21	US\$	-	-	69,800	29,438	28,802	-	-	128,040
0037	13-Jul-21	US\$	127,855	47,500	21,733	8,174	6,885	-	-	212,147
0042	4-Oct-21	US\$	102,284	12,816	32,701	5,791	13,077	-	(17,843)	148,826
Sub-total (A)			230,139	60,316	124,234	43,403	48,764	-	(17,843)	489,013
Direct payment										
MOT										
CAP	1-Feb-21	US\$	-	-	-	-	-	38,701	-	38,701
CAP	1-Aug-21	US\$	-	-	-	-	-	48,724	-	48,724
Sub-total (B)			-	-	-	-	-	87,425	-	87,425
MPWT										
0033	24-Mar-21	US\$	-	-	83,347	-	-	-	-	83,347
0034	15-Feb-21	US\$	1,020,176	-	-	-	-	-	-	1,020,176
0035	6-May-21	US\$	-	-	53,125	-	-	-	-	53,125
0036	19-May-21	US\$	1,164,942	-	-	-	-	-	-	1,164,942
0038	3-Jun-21	US\$	-	-	40,232	-	-	-	-	40,232

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Notes to the combined financial statements (continued)
for the year ended 31 December 2021

13. Combined statement of withdrawals (continued)

Withdrawal application			Category							
No	Request date	Currency	Civil works	Equipment and vehicles	Consulting services	Capacity building and training	Recurrent costs	Interest charge	Advance	Total
Year ended 31 December 2021 (continued)										
ADB fund (continued)										
Direct payment (continued)										
MPWT (continued)										
0039	3-Jun-21	US\$	723,661	-	-	-	-	-	-	723,661
0040	21-Jun-21	US\$	-	-	49,485	-	-	-	-	49,485
0043	8-Sep-21	US\$	-	-	38,544	-	-	-	-	38,544
0044	8-Sep-21	US\$	735,753	-	-	-	-	-	-	735,753
0045	14-Oct-21	US\$	-	-	65,980	-	-	-	-	65,980
0046	15-Nov-21	US\$	-	-	27,698	-	-	-	-	27,698
0048	12-Nov-21	US\$	700,191	-	-	-	-	-	-	700,191
0049	10-Nov-21	US\$	-	-	49,485	-	-	-	-	49,485
Sub-total (C)			4,344,723	-	407,896	-	-	-	-	4,752,619
Sub-total (D=A+B+C)			4,574,862	60,316	532,130	43,403	48,764	87,425	(17,843)	5,329,057

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Notes to the combined financial statements (continued)
for the year ended 31 December 2021

13. Combined statement of withdrawals (continued)

Withdrawal application			Category							
No	Request date	Currency	Civil works	Equipment and vehicles	Consulting services	Capacity building and training	Recurrent costs	Interest charge	Advance	Total
Year ended 31 December 2021 (continued)										
RGC fund										
MOT										
RGC fund	24-Feb-21	US\$	-	-	-	-	12,670	-	-	12,670
MPWT										
RGC fund	26-Aug-21	US\$	-	-	-	-	20,405	-	-	20,405
Total fund receipt for the year (F=D+E)			4,574,862	60,316	532,130	43,403	81,839	87,425	(17,843)	5,362,132
Year ended 31 December 2020										
ADB – MOT		US\$	1,874,503	133,675	366,668	154,010	33,944	55,561	-	2,618,361
ADB – MPWT		US\$	854,942	-	-	-	-	-	-	854,942
Sub-total (ADB)			2,729,445	133,675	366,668	154,010	33,944	55,561	-	3,473,303
RGC fund – MOT		US\$	-	-	-	-	31,805	-	-	31,805
Total fund receipt for the year			2,729,445	133,675	366,668	154,010	65,749	55,561	-	3,505,108

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**Notes to the combined financial statements (continued)
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13. Combined statement of withdrawals (continued)

Withdrawal application			Category							
No	Request date	Currency	Civil works	Equipment and vehicles	Consulting services	Capacity building and training	Recurrent costs	Interest charge	Advance	Total
Cumulative period from 30 March 2015 to 31 December 2021										
ADB – MOT		US\$	3,174,999	714,968	2,107,504	961,050	354,874	226,325	366,617	7,906,337
ADB – MPWT		US\$	5,199,665	-	407,896	7,177	125,425	-	-	5,740,163
		Total – ADB	8,374,664	714,968	2,515,400	968,227	480,299	226,325	366,617	13,646,500
RGC fund – MOT		US\$	-	-	-	-	344,735	-	-	344,735
RGC fund – MPWT		US\$	-	-	-	-	20,405	-	-	20,405
		Total – RGC	-	-	-	-	365,140	-	-	365,140
Total fund receipt for the period			8,374,664	714,968	2,515,400	968,227	845,439	226,325	366,617	14,011,640



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Project Manager
Ministry of Tourism



H.E. Mak Sideth
Project Director
Ministry of Public Work and Transport

Phnom Penh, Kingdom of Cambodia
31 May 2022

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for the year ended 31 December 2021

14. Combined Statement of disbursement

Details of Combined statement of disbursement from ADB fund are as follows:

		Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
ADB Fund claims during the year				
Initial advance		-	-	636,425
Replenishment		489,013	338,240	3,964,126
Direct payments		4,752,619	3,079,502	8,819,624
Interest expense		87,425	55,561	226,325
Subtotal	(A)	5,329,057	3,473,303	13,646,500
Total expenditure made during the year				
	(B)	5,558,838	3,385,501	13,948,671
Expenditure made out of				
Government Counterpart fund	(C)	(52,360)	(43,860)	(381,155)
Expenditure not yet claimed	(D)	(287,618)	(128,040)	(287,618)
Expenditure incurred in prior year but claims during the year	(E)	128,040	337,664	-
Initial advance utilised during the year	(F)	(17,843)	(77,962)	-
Initial advance not yet utilised	(G)	-	-	366,617
Others	(H)	-	-	(15)
Total eligible expenditure claimed (A=I=B+C+D+E+F+G+H)	(I)	5,329,057	3,473,303	13,646,500

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15. Commitment

As at 31 December, the Project had the following expenditure commitments:

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
MPWT		
Contracted but not yet paid:		
Consulting services	307,125	-
Civil works	2,081,362	5,748,893
	<u>2,388,487</u>	<u>5,748,893</u>

16. In-kind contribution

The Project's management has identified and calculated in-kind contribution from the RGC to the Project based on guideline from the MEF as follows:

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
MOT			
Office space	55,296	55,296	325,548
Utilities	5,755	5,755	23,547
Salaries of project staff	144,372	144,372	1,010,602
	<u>205,423</u>	<u>205,423</u>	<u>1,359,697</u>

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Notes to the combined financial statements (continued)
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16. In-kind contribution (continued)

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 30 March 2015 to 31 December 2021 US\$
MPWT			
Office space	85,728	85,728	171,456
Utilities	11,704	11,704	23,408
Salaries of project staff	30,960	30,960	61,920
	<u>128,392</u>	<u>128,392</u>	<u>256,784</u>
	<u>333,815</u>	<u>333,815</u>	<u>1,616,481</u>

For the portion of in-kind contribution recorded in the combined statement of receipt and expenditure prior to 2016, refer to Note 12.

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**Notes to the combined financial statements (continued)
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17. Combined statement budgets versus actual expenditure

Description	Year ended 31 December 2021				Year ended 31 December 2020				Cumulative for the period from 30 March 2015 to 31 December 2021			
	Budget US\$	Actual US\$	Variance		Budget US\$	Actual US\$	Variance		Budget US\$	Actual US\$	Variance	
			US\$	%			US\$	%			US\$	%
Civil works	6,473,685	4,600,434	1,873,251	29%	2,969,086	2,729,445	239,641	8%	24,497,790	8,400,236	16,097,554	66%
Equipment and vehicles	205,400	60,860	144,540	70%	96,600	-	96,600	100%	1,737,278	716,886	1,020,392	59%
Consulting services	713,018	506,179	206,839	29%	422,304	444,235	(21,931)	-5%	3,260,783	2,559,249	701,534	22%
Capacity Building and Training	159,000	87,855	71,145	45%	143,700	56,161	87,539	61%	2,522,875	1,042,638	1,480,237	59%
Recurrent Costs												
ADB contribution	150,137	163,725	(13,588)	-9%	71,400	56,239	15,161	21%	631,633	622,182	9,451	1%
Government contribution	72,760	52,360	20,400	28%	43,860	43,860	-	0%	468,675	381,155	87,520	19%
Interest charge	-	87,425	(87,425)	-100%	138,900	55,561	83,339	60%	138,900	226,325	(87,425)	-63%
Total	7,774,000	5,558,838	2,215,162	28%	3,885,850	3,385,501	500,349	13%	33,257,934	13,948,671	19,309,263	58%



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