

Project Administration Manual

Project Number: 46382-001
November 2015

Republic of Palau: North Pacific Regional
Connectivity Investment Project

Contents

ABBREVIATIONS

I.	PROJECT DESCRIPTION	1
	A. Impact and Outcome	1
	B. Output	1
II.	IMPLEMENTATION PLANS	2
	A. Project Readiness Activities	2
	B. Overall Project Implementation Plan	3
III.	PROJECT MANAGEMENT ARRANGEMENTS	4
	A. Project Implementation Organizations – Roles and Responsibilities	4
	B. Key Persons Involved in Implementation	5
	C. Project Organization Structure	6
IV.	COSTS AND FINANCING	7
	A. Detailed Cost Estimates by Expenditure Category	7
	B. Allocation and Withdrawal of Loan Proceeds	8
	C. Detailed Cost Estimates by Financier	9
	D. Detailed Cost Estimates by Year	10
	E. Contract and Disbursement S-curve	11
	F. Fund Flow Diagram	12
V.	FINANCIAL MANAGEMENT	13
	A. Financial Management Assessment	13
	B. Disbursement	14
	C. Accounting	15
	D. Auditing	15
VI.	PROCUREMENT AND CONSULTING SERVICES	17
	A. Advance Contracting and Retroactive Financing	17
	B. Procurement of Goods, Works and Consulting Services	17
	C. Procurement Plan	18
	D. Consultant's Terms of Reference	19
VII.	SAFEGUARDS	21
VIII.	PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION	22
	A. Project Design and Monitoring Framework	22
	B. Monitoring	23
	C. Evaluation	24
	D. Reporting	25
	E. Stakeholder Communication Strategy	25
IX.	ANTICORRUPTION POLICY	26
X.	ACCOUNTABILITY MECHANISM	27
XI.	RECORD OF PAM CHANGES	28

Project Administration Manual Purpose and Process

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

The Ministry of Finance and Belau Submarine Cable Corporation, executing and implementing agencies, are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the Government and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by the Ministry of Finance and Belau Submarine Cable Corporation of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

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

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

Abbreviations

ADB	=	Asian Development Bank
ADF	=	Asian Development Fund
BSCC	=	Belau Submarine Cable Corporation
FSM	=	Federated States of Micronesia
EA	=	executing agency
EMP	=	environmental management plan
GAP	=	gender action plan
GDP	=	gross domestic product
IA	=	implementing agency
ICB	=	international competitive bidding
ICT	=	information and communication technology
MOF	=	Ministry of Finance, Palau
PAM	=	project administration manual
PCR	=	project completion report
PMU	=	project management unit
QCBS	=	quality- and cost-based selection

I. PROJECT DESCRIPTION

1. The proposed project will decrease the cost and increase the quality of internet service in Palau by establishing broadband internet connectivity—connecting Palau to the Southeast Asia–United States West Subsystem (SEA–US) submarine cable that joins the international cable hub in Guam.¹ The Asian Development Bank (ADB) provided technical assistance (TA) to Palau for project preparation.² The World Bank has provided complementary TA to Palau to develop legislation establishing a state-owned submarine cable company and an Information and Communications Technology (ICT) Regulatory Office.

A. Impact and Outcome

2. The impact of the project will be access to affordable ICT infrastructure in Palau.³ The outcome will be a decrease in the cost and an increase in the quality of internet service.

B. Output

3. The output will be the establishment of an efficient and effective submarine cable system connecting Palau to the international internet cable hub in Guam. It will be achieved through (i) the construction of the approximately 300 kilometer spur and a branching unit to connect to the SEA–US submarine cable, (ii) efficient and effective operation of BSCC by the government, and (iii) agreements for IRU and maintenance between BSCC and SEA–US parties. The project will be supported by a project management unit (PMU) resourced by a team of project implementation consultants.

¹ SEA–US is a consortium of seven private telecom operators created in April 2015 to build a \$250 million fiber optic cable from Indonesia to the west coast of the United States via the Philippines, Guam, and Hawaii. The West Subsystem parties are Globe (the Philippines) and Telin (Indonesia).

² ADB. 2013. *Technical Assistance for the Pacific Information and Communication Technology Investment Planning and Capacity Development Facility*. Manila.

³ Government of the Republic of Palau. 2013. *Palau National Information and Communication Technology Policy, 2013–2016*. Koror.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations – Roles and Responsibilities

Project implementation organizations	Management Roles and Responsibilities
MicroPal	Palau and FSM joint task force to supervise overall project implementation and advise two countries on strategic issues.
Ministry of Finance, Palau	As executing agency, responsible for facilitating the smooth flow of funds and overall management of the project including, quality of financial management of the project and submission of withdrawal applications and annual audit reports.
BSCC	<ol style="list-style-type: none"> 1. Responsible for implementing and owning output: submarine cable system. 2. Monitor and report environment and safeguard related recommendations. 3. Provide wholesale internet to local telecom provider following Palau's telecom regulations. 4. Operate and maintain the system as per the supplier's agreement 5. Responsible for selecting the suppliers and signing contracts. 6. Manage all procurement actions funded by loan proceeds
PMU	<ol style="list-style-type: none"> 1. Supporting Micropal and MOF. 2. Supporting BSCC on the day to day operation of the project. 3. Track, update and monitor the status of the activities 4. Manage the contracts 5. Validate financial claims 6. Manage accounts and produce financial statements
ADB	Facilitating implementation and reviewing the progress on regular basis

B. Key Persons Involved in Implementation**Executing Agency**

Ministry of Finance

Hon. Elbuchel Sadang

Minister of Finance

Telephone: (680) 767 2168

Email address: esadang@gmail.com

Office of the Minister, P.O. Box 100, Koror, Palau 96940

ADB

Pacific Department

Ms. Emma Veve

Director

Urban, Social Development & Public Management Division

Telephone No.: +63 2 632 1631

Email address: eveve@adb.org

Mission Leader

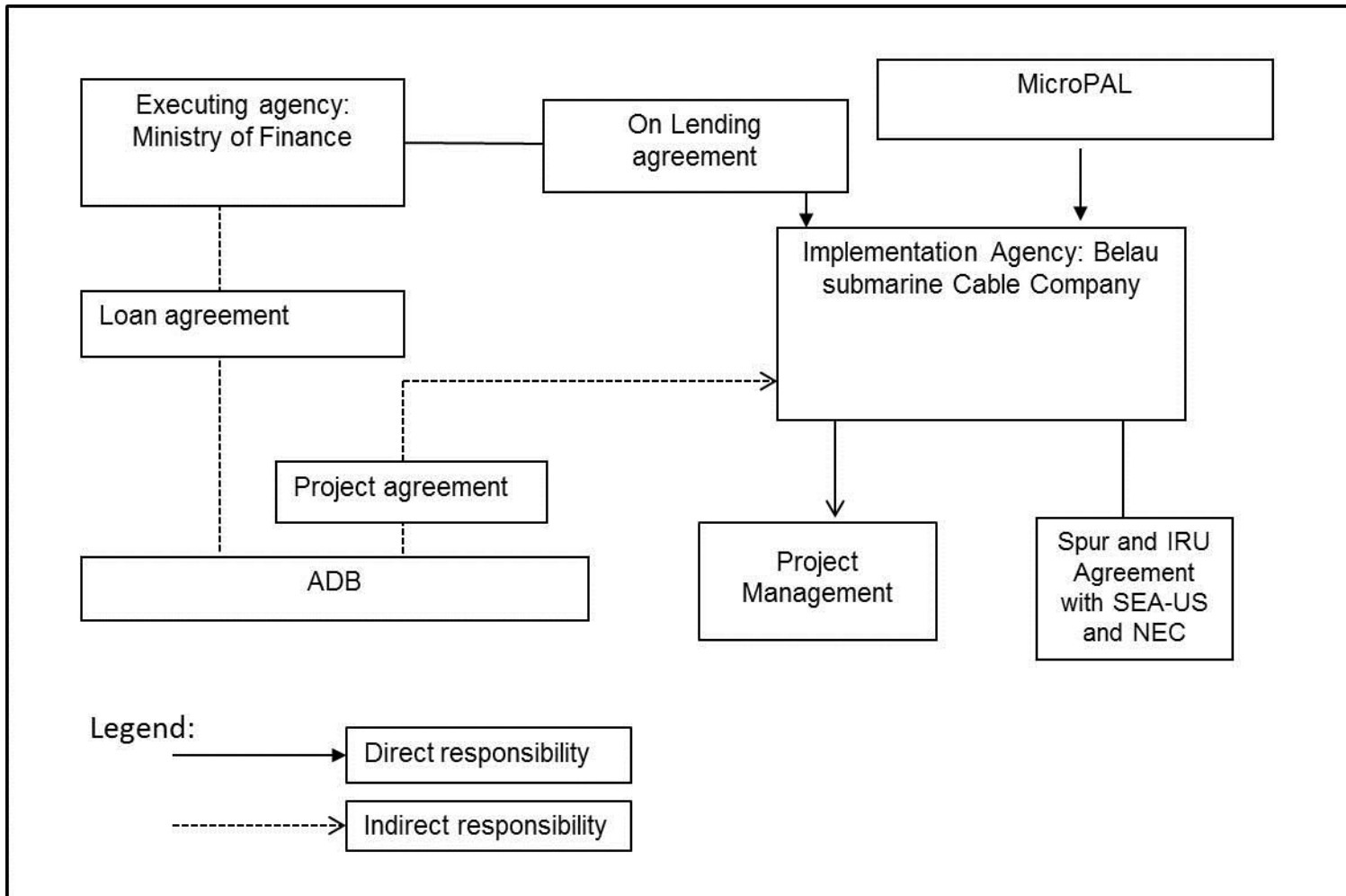
Mr. Sibesh Bhattacharya

Senior Infrastructure Specialist (ICT)

Telephone No.: +63 2 632 4956

Email address: sbhattacharya@adb.org

C. Project Organization Structure



IV. COSTS AND FINANCING

4. The total cost of the project is \$30.19 million. The main cost categories are:

- (i) construction of spur to connect SEA—US cable system
- (ii) indefeasible right of use(IRU) on the SEA—US west subsystem cable
- (iii) civil work for landing station in Palau
- (iv) landing permit and licensing fees in Guam and Palau
- (v) project management cost
- (vi) financing fees
- (vii) tax, duties and operation cost

5. The Government has requested ADB to provide a loan from Ordinary Capital Resource (OCR) in the amount of \$16.47 million and a loan in various currencies equivalent to SDR 6.032[\$8.53 million] from its Special Fund Resources.

6. The OCR loan will have a 25-year term, including a grace period of 5 years, straight line repayment method, with an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, a commitment charge of 0.15% per year. Based on this, the average loan maturity is 15.25 years and the maturity premium payable to ADB is 0.10% per annum. The ADF loan will have a 25-year term, including a grace period of 5 years and interest of 2.0% per annum during the grace period and thereafter, and such other terms and conditions set forth in the draft loan and project agreements.

7. Palau will contribute \$5.19 million in kind bearing the necessary tax and duties and cost to provide resources running BSCC during project implementation.

A. Detailed Cost Estimates by Expenditure Category

Item	Total Cost (\$ million)	% of Total Base Cost
A. Investment Costs		
1 Spur to connect SEA—US Cable system	12.65	42.30%
2 Cable station construction and fit out (incl. civil work)	1.61	5.40%
3 Indefeasible Right of Use (IRU)	5.21	17.40%
4 Legal and Consulting Service-Project Management Unit	0.84	2.80%
Subtotal (A)	20.31	
B. Cable Company Costs	0.47	1.60%
C. Import Taxes and Duties	4.72	15.80%
Subtotal (B + C)	5.19	
D. Contingencies	4.42	14.80%
Base Cost (A+B+C+D)	29.92	100.00%
E. Financing Charges and Fees		
1 Interest During Implementation	0.24	0.80%
2 Commitment Charges	0.03	0.10%
Subtotal (D+E)	0.27	0.90%
Total Project Cost (A+B+C+D+E)	30.19	100.90%

Source: Asian Development Bank estimates.

B. Allocation and Withdrawal of Loan Proceeds

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS – OCR Loan (North Pacific Regional Connectivity Investment Project)			
CATEGORY			ADB FINANCING
No.	Item	Total Amount Allocated For ADB Financing (\$)	Percentage and Basis for Withdrawal from the LOAN Account
1	Spur to connect SEA—US Cable system **	8,330,000	65.9% of total expenditures claimed*
2	Indefeasible Right of Use (IRU)**	3,430,000	65.9% of total expenditures claimed*
3	Cable station construction and fit out (incl. civil work)**	1,060,000	65.9% of total expenditures claimed*
4	Project Management Unit	560,000	66.7% of total expenditures claimed*
5	Interest During Implementation and Commitment charges	200,000	100% of total amount due
6	Unallocated	2,890,000	
	Total	16,470,000	

ADB = Asian Development Bank, OCR = Ordinary Capital Resource

* Exclusive of taxes and duties within the territory of the borrower

** Subject to the conditions for withdrawal described in Loan Agreement (Ordinary Operation)

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS – ADF Loan (North Pacific Regional Connectivity Investment Project)			
CATEGORY			ADB FINANCING
No.	Item	Total Amount Allocated For ADB Financing (\$)	Percentage and Basis for Withdrawal from the LOAN Account
1	Spur to connect SEA—US Cable system **	4,320,000	34.1% of total expenditures claimed*
2	Indefeasible Right of Use (IRU)**	1,780,000	34.1% of total expenditures claimed*
3	Cable station construction and fit out (incl. civil work)**	550,000	34.1% of total expenditures claimed*
4	Project Management Unit	280,000	33.3% of total expenditures claimed*
5	Interest During Implementation	70,000	100% of total amount due
6	Unallocated	1,530,000	
	Total	8,530,000	

ADB = Asian Development Bank, ADF = Asian Development Fund

* Exclusive of taxes and duties within the territory of the borrower

** Subject to the conditions for withdrawal described in Loan Agreement (Special Operation)

C. Detailed Cost Estimates by Financier

Item	Total Cost (\$m)	% of Total	ADB (PARD)				Government of Palau	
			ADF		OCR		Amount	%
			Amount	%	Amount	%		
A. Investment Costs								
A.1. Spur to connect SEA—US Cable System	12.65	41.90%	4.32	34.1%	8.33	65.9%	0.0	0.0%
A.2. Indefeasible Right of Use (IRU)	5.21	17.25%	1.78	34.1%	3.43	65.9%	0.0	0.0%
A.3. Cable station construction and fit out (incl. civil work)	1.61	5.33%	0.55	34.1%	1.06	65.9%	0.0	0.0%
A.4. Legal and Consulting Services-Project Management Unit*	0.84	2.78%	0.28	33.3%	0.56	66.7%	0.0	0.0%
Subtotal (A)	20.31	67.27%	6.93	34.1%	13.38	65.88%	0.0	0.0%
B. BSCC Costs**	0.47	1.55%	0.0	0.0%	0.0	0.0%	0.47	100.0%
C. Import Taxes and Duties	4.72	15.63%	0.0	0.0%	0.0	0.0%	4.72	100.0%
D. Contingencies	4.42	14.64%	1.53	34.6%	2.89	65.4%	0.0	0.0%
Subtotal (A + B + C + D)	29.92	99.11%	8.46	28.28%	16.27	54.38%	5.19	17.34%
E. Financing Charges and Fees								
E.1. Interest During Implementation	0.24	0.80%	0.07	29.16%	0.17	67.5%	0.0	0.0%
E.2. Commitment Fees	0.03	0.09%	0.0	0.0%	0.03	100.0%	0.0	0.0%
Subtotal (E)	0.27	0.89%	0.07	25.9%	0.20	74.1%	0.0	0.0%
Total Project Costs (A + B + C + D + E)	30.19	100%	8.53	28.25%	16.47	54.55%	5.19	17.19%

ADB = Asian Development Bank, ADF = Asian Development Fund, BSCC=Belau Submarine Cable Corporation, FSM = Federated States of Micronesia, OCR = Ordinary Capital Resources.

*Includes cost to hire necessary specialist, travel, fees and permit, legal advice, communication etc.

** Includes necessary cost to perform annual Audit.

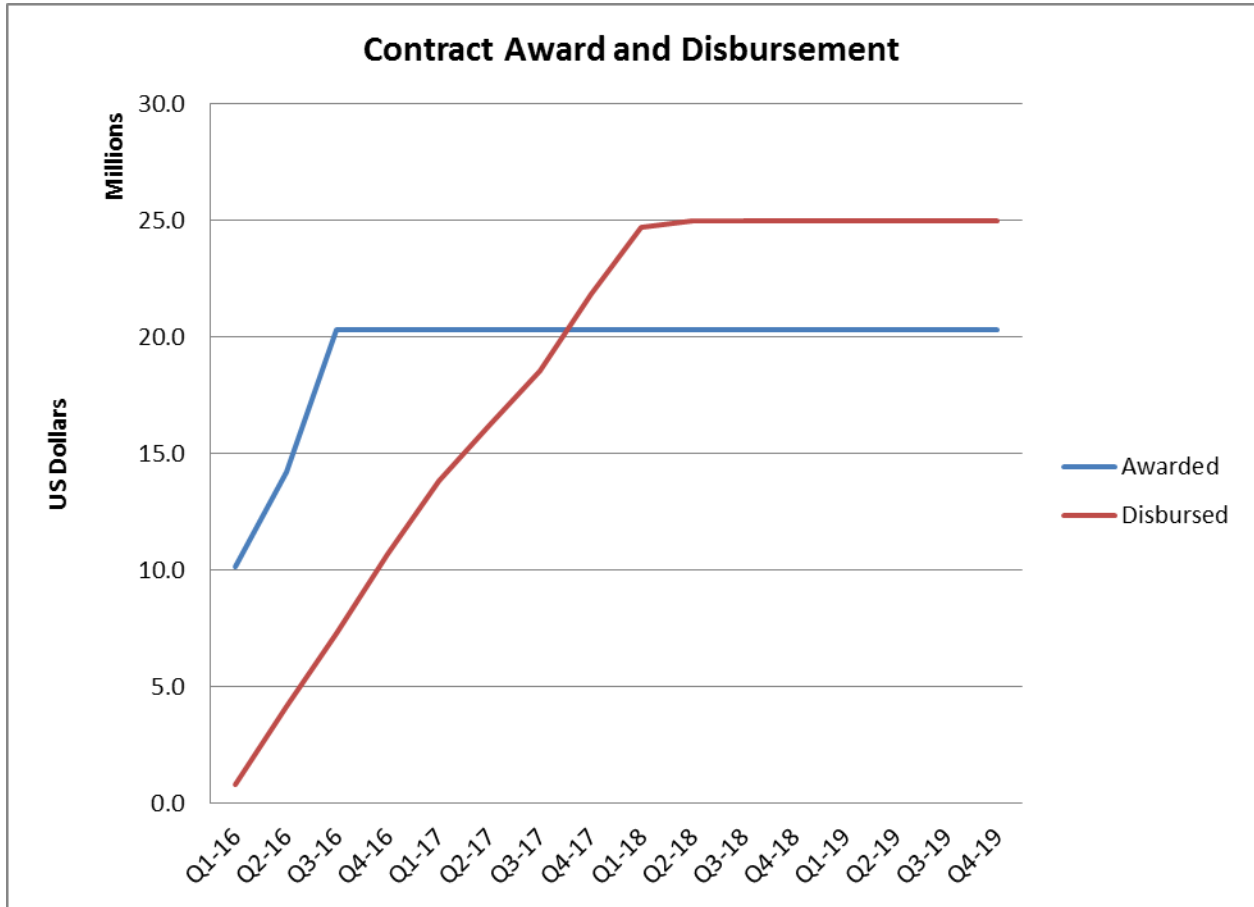
Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Year

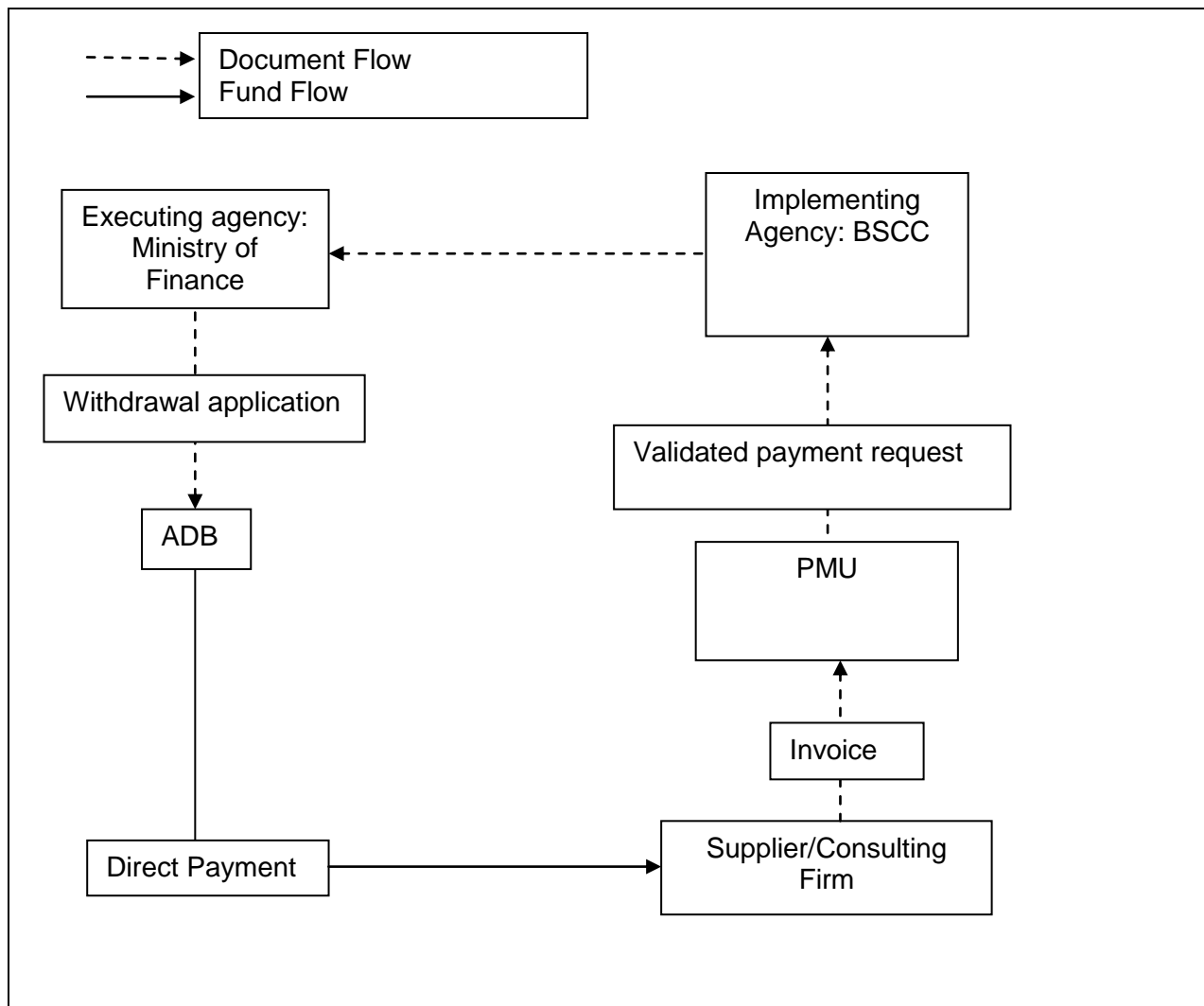
Item	Total Cost (\$m)	Year 1	Year 2	Year 3
A. Investment Costs				
A.1. Spur to connect SEA—US Cable System	12.65	7.60	5.08	0.00
A.2. Indefeasible Right of Use (IRU)	5.21	3.12	2.08	0.00
A.3. Cable station construction and fit out (incl. civil work)	1.61	0.00	1.36	0.24
A.4. Legal and Consulting Services- Project Management Unit	0.84	0.50	0.32	0.00
Subtotal (A)	20.31	11.22	8.84	0.24
B. BSCC Costs	0.00	0.00	0.00	0.00
C. Import Taxes and Duties	0.00	0.00	0.00	0.00
D. Contingencies	4.42	2.41	1.94	0.06
Subtotal (A + D)	24.73	13.63	10.78	0.30
E. Financing Charges and Fees				
E.1. Interest During Implementation	0.24	0.17	0.08	0.00
E.2. Commitment Fees	0.03	0.03	0.00	0.00
Subtotal (E)	0.27	0.20	0.08	0.00
Total Project Costs (A + B + C + D + E)				
	25.00	13.84	10.86	0.30
	100%	55%	43%	2%

FSM = Federated States of Micronesia
Source: Asian Development Bank estimates.

E. Contract and Disbursement S-curve



F. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

8. The MOF is the project executing agency. The BSCC is the implementing agency. A set of consultants under the Project management unit will support BSCC to manage day to day activities. Both BSCC and MOF will maintain separate accounting book for the project and monitor the fund flows.

A. Financial Management Assessment

9. BSCC is a newly established entity and will need to recruit personnel to manage accounting. During implementation, the project will engage experienced consultants to set up procedures, systems, and reporting mechanisms to implement robust financial management practices. BSCC will recruit permanent accounting staff on time to have sufficient overlap with consultants. This will help develop adequate capacity to continue accounting practices after the implementation period. The detailed time-bound action plan is Table 4. BSCC will follow the government's yearly auditing process.

Time-bound Action Plan

Action	Purpose	Responsibility	Time Frame
Specialized team of financial management specialists recruited as part of the project management unit	Set up accounting practices, systems, and procedures	BSCC	After 6 months of project effectiveness
Organizational structure set up	Ensure proper approval authority and prevent conflict of interest	BSCC	After 6 months of project effectiveness
Permanent account staff recruited	Make accounting practice sustainable	BSCC	By Q2 2017, to have sufficient overlap with consultants ensuring proper training and handover
Arrange periodic internal audit	Ensure compliance with Palau's accounting policy	BSCC	By Q1 2017
Arrange periodic external audit	Ensure compliance with Palau's accounting policy and other requirements	BSCC	By Q1 2017
Arrange periodic training program and capacity development	Introduce new process, manual, and systems	MOF and BSCC	Once a year

BSCC = Belau Submarine Cable Corporation, MOF = Ministry of Finance, Q = quarter

Source: Asian Development Bank.

10. Overall, the financial management risk is expected to be high. The mitigation measures will be monitored to manage the risk.

Risk Area	Impact	Mitigation
BSCC does not have dedicated staff to manage finance and accounting.	High	PMU to have experienced financial management consultants to support BSCC to set up practice, system and procedures to manage accounting. A time based action plan is prepared to make sure the proper hand over and training for BSCC permanent staff.
Limited Government experience in implementing ADB project	High	The proposed project is the second ADB loan to Palau. ADB has provided technical assistance support to help Palau preparing the project. During implementation, ADB will closely monitor the progress and help them in reviewing procurement related matters. The procurement packages are designed to minimize number of contracts. PMU budget includes hiring implementation specialists to help BSCC. Simplified disbursement process of all direct payment to suppliers and consultants (subject to the minimum withdrawal application amount) will minimize issues in financial management and book keeping.
Limited Government's account structure to provide expenditure detail	Moderate	BSCC will maintain separate book to keep detailed level transactions.
Delay in closing project account.	Moderate	BSCC will be a newly established state owned corporation. It is not expected to have a full range of experience staff at the beginning. They will engage an experience Project Management Unit (PMU) to support them in contract and financial management. ADB will oversee the procurement process. Palau will not have any imprest account for the project cost. ADB will disburse directly to the supplier and consulting firm against withdrawal application (subject to the minimum withdrawal application amount). Such arrangement will minimize financial management issues

B. Disbursement

11. The loans proceed will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time),⁴ and detailed arrangements agreed upon between the Government and ADB. Online training for project staff on disbursement policies and procedures is available at: http://wpqr4.adb.org/disbursement_elearning. Project staff is encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

12. The Government will not have any imprest account for the project; rather Government has requested ADB to make direct payment to the suppliers or consulting firms. The

⁴ http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf

Government will submit withdrawal application to ADB against validated invoice from the suppliers and ADB will directly pay them (subject to the minimum withdrawal application amount). The minimum value per withdrawal application is \$100,000 equivalent. Individual payments below this amount should be paid by the EA/IA and subsequently claimed to ADB through reimbursement unless otherwise accepted by ADB.

13. Before the submission of the first withdrawal application, the Government should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person.

14. No withdrawals shall be made from Category 3 (section B) until a landing agreement between the BSCC and the PNCC for the use of PNCC land and facility will have been signed and made effective.

15. No withdrawals shall be made from Categories 1 or 2 (section B) until: (a) the Cable Construction Agreement shall have been duly executed and delivered on behalf of the parties thereto, upon terms and conditions acceptable to ADB, and all conditions to effectiveness shall have been fulfilled. In addition, legal opinions satisfactory to ADB shall have been submitted to ADB, confirming that the Construction Cable Agreement have been duly authorized by, and executed and delivered on behalf of the parties thereto, and are legally binding upon the parties thereto in accordance with their terms; and (b) the IRU Agreement shall have been duly executed and delivered on behalf of the parties thereto, upon terms and conditions acceptable to ADB, and all conditions to effectiveness shall have been fulfilled. In addition, legal opinions satisfactory to ADB shall have been submitted to ADB, confirming that the IRU Agreement have been duly authorized by, and executed and delivered on behalf of the parties thereto, and are legally binding upon the parties thereto in accordance with their terms.

C. Accounting

16. The MOF will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following accrual-based accounting following the equivalent national accounting standards. The BSCC will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing

17. The MOF will cause the detailed consolidated project financial statements to be audited in accordance with Generally Accepted Accounting Principles (GAAP) followed by state and local governments in the USA established by the Government Accounting Standards Board (GASB) as well as applicable standards to financial audits under Government Auditing Standards issued by the Comptroller General of the US, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditors' opinion will be submitted in the English language to ADB within six months of the end of the fiscal year by the MOF.

18. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan proceeds were used only for the purposes of the

project or not; (iii) the level of compliance for each financial covenant contained in the legal agreements for the project.

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

20. The Government, MOF have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.⁵ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

21. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).⁶ After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter will not be disclosed.

⁵ ADB approach and procedures regarding delayed submission of audited project financial statements:

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

⁶ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

VI. PROCUREMENT AND CONSULTING SERVICES

22. ADB is funding the Palau to implement project.

A. Advance Contracting and Retroactive Financing

23. The project requires advance contracting and retroactive financing. Micropal with help from project coordinators has partnered with SEA—US west subsystem consortium to construct their main cable system and arrange landing station in Guam. Palau has no experience in maintaining an international internet cable system. This partnership with SEA—US gives them a significant saving on capital and operational cost and will provide substantial knowledge and technical support for maintaining and running a submarine cable.

24. SEA—US has already started their design and construction work and has given MicroPal until 31st October 2015 to secure the contract by paying a nonrefundable deposit. Government of Palau already has provisioned the deposit amount in the FY2016 budget and requested ADB to reimburse it once the project is approved and all the disbursement conditions are met. Palau is aware of the 20% limit for retroactive financing. Palau has been advised that ADB's approval of advance Contracting and retroactive financing does not commit ADB to finance the ensuing project.

B. Procurement of Goods, Works and Consulting Services

25. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines*.⁷ A direct contract procurement with SEA—US parties for the main cable supply and IRU will be further reviewed once the cost and other terms are finalized during contract negotiation.

26. The project involves procurement of the spur to connect Palau to SEA—US cable system, IRU on SEA—US and civil works to build a cable landing station in Palau. The proposed SEA—US submarine cable connecting Indonesia and Philippines to Guam, provides an opportunity for Palau to connect to the international internet hub in Guam. As compared with a self-developed cable system, it brings significant cost saving for the two countries in both capital and operational expenditure, and further eases the technical demands of future operations and maintenance activities. SEA—US will be operated by an experienced consortium of telecom operators and will have commercial interest in maintaining a high level of cable service. Palau will leverage experience and technical support from the consortium to operate their portion of the cable. Other contract will follow international competitive bidding process.

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

28. All consultants will be recruited according ADB's guideline on use of consultants.⁸ The terms of reference for all consulting services are detailed in Section D.

⁷ ADB. 2015. *Procurement Guideline*. Manila. <http://www.adb.org/documents/procurement-guidelines>

⁸ Guidelines on The Use of Consultants by Asian Development Bank and Its Borrowers, paragraph 1.16 and the applicable provisions of the Project Administration Instructions (PAI) 2.01, 2.02, 2.03 and 2.05.

29. During the project implementation, one consulting firm will be contracted to provide project management support. The project management support will require 75 person months efforts (50 international and 25 national) to facilitate (i) project, contract and financial management, (ii) status reporting, (iii) technical support, and (iv) environmental and safeguard monitoring.

30. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 80:20.

C. Procurement Plan

Basic Data

Project Name: North Pacific Regional Connectivity Investment Project	
Project Number: 46382-001	Approval Number:
Country: Palau, Republic of	Executing Agency: Ministry of Finance
Project Procurement Classification:	Implementing Agency:
Project Procurement Risk:	Belau Submarine Cable Corporation
Project Financing Amount: US\$ 30,190,000 ADB Financing: US\$ 25,000,000 Non-ADB Financing: US\$ 5,190,000	Project Closing Date: 31 August 2018
Date of First Procurement Plan: 13 October 2015	Date of this Procurement Plan: 13 October 2015

Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

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

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	US\$ 1,000,000 and Above	
International Competitive Bidding for Works	US\$ 1,000,000 and Above	

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	

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

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

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
1	Spur to connect SEA—US Cable System	12,650,000.00	Direct Contracting	Prior			No advertisement required,
2	Indefeasible Right of Use (IRU)	5,210,000.00	Direct Contracting	Prior			No advertisement required,
3	Cable station construction and fit out (incl. civil work)	1,610,000.00	ICB	Prior	1S1E	Q3 2016	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works

ICB=International Competitive Bidding, 1S1E=One Stage-One Envelope

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

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

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
3	Legal and Consulting Services-Project Management Unit	840,000.00	QCBS	Prior	Q2 2016	FTP	Assignment: International Quality-Cost Ratio: 80:20

QCBS=Quality and Cost Based Selection, FTP=Full Technical Proposal

D. Consultant's Terms of Reference

34. Project Management Unit: After the project became effective, BSCC will engage a consulting firm as a Project Management Unit to support implementation of the project. The team will consist of:

- (i) Project manager Contracts Manager and Project tracking
- (ii) Marine Operations specialist Survey and System design specialist
- (iii) Factory quality specialist (cable)
- (iv) Factory quality specialist (equipment)
- (v) Survey rep for the ship
- (vi) Main lay rep for the ship
- (vii) Cable station specialist, construction overseer, tester and verifier

- (viii) Shore-end specialist
- (ix) Financial management specialist

35. The team will be responsible for:

- (i) Managing the procurement contracts.
- (ii) Preparing, monitoring, and updating project plan.
- (iii) Preparing and following the communication plan.
- (iv) Preparing metrics to track the progress of the project.
- (v) Processing and validating the invoices against milestones.
- (vi) Monitoring environmental management plan (EMP) and safeguard related recommendations.
- (vii) Preparing project status reports.
- (viii) Managing financial transactions and book keeping.
- (ix) Helping in the audit process

VII. SAFEGUARDS

36. Pursuant to ADB's Safeguard Policy Statement (2009),⁹ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (SPS). All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (Appendix 5 of SPS) to subprojects financed by ADB.

37. **Involuntary Resettlement and Indigenous Peoples.** The project has been classified as Category C for Involuntary Resettlement and Indigenous Peoples. The due diligence undertaken¹⁰ has confirmed that the project does not require land acquisition and will not create any resettlement impacts, and does not impact any distinct and/or vulnerable group of Indigenous Peoples. The cable landing site is on Government owned Palau National Communication Corporation land and existing networks or rights of way will be utilized for the cable extension. The beneficiaries in the project are all Palauan citizens and residents.

38. **Environment.** The project is classified as category B for environment. Appropriate environmental safeguard documents have been prepared to ensure proper environmental management during the project construction and operation including; initial environmental examination (IEE) including an environmental management plan (EMP); and a set of codes of environmental practice. The project will impact a corridor about 0.3-0.5 meters wide on the sea floor, and in some locations up to 0.75 meters beneath the sediment. As it enters the near-shore waters, the alignment will be buried at an ocean depth of 40-50 meters in the shipping channel, the floor of which is essentially coral rubble and sand. The landing site will be an existing manhole, outfitted with a conduit running from the shore into the PNCC building. A number of detailed surveys, such as oceanographic and marine, of the alignment will be completed during the design period. At this time the IEE and EMP will be updated and any information gaps filled, the updated EMP and relevant provisions will be integrated into the contract specifications.

39. The BSCC will be responsible to comply with the requirements of the IEE which include engaging required specialist(s) to update the IEE and EMP following the design and survey stage, ensuring the updated EMP is implemented by the cable laying contractor, and monitoring EMP compliance during the project implementation. Monitoring reports will be included in the quarterly progress reports and separate safeguards monitoring reports will be submitted to ADB on a semi-annual basis.

⁹ <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

¹⁰ ADB. 2014. *Regional Technical Assistance for Results-Based Strategy and Sector Planning in the Pacific*. Manila.

VIII. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Impact the Project is Aligned with			
Access to affordable ICT infrastructure has been achieved in Palau. ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome	By 2019: Retail price of fixed internet service for 2-megabit-per-second connection decreases at least 15% against 2015 baseline of approximately calculated at \$1,000 per month. Bandwidth availability will be increased at least 20% against 2015 baseline of approximately 220 megabits per second. Availability of service will be 99% in accordance with the industry standard.	Internet service price list published by ISPs and telecom operators Internet bandwidth list published by ISPs and telecom operators “Ping” time at consumer level as measured by tools such as web-based speed tests (e.g., www.speedtest.net)	Medium growth rate of demand for internet is not realized in line with other Pacific countries. A regulatory framework is not in place to ensure lower wholesale cost flows to retailers.
Output	1a. Indefeasible right of use and maintenance agreements between BSCC and SEA-US parties by Q2 2016 1b. Construction of the approximately 300-kilometer spur and branching unit to connect to SEA-US submarine cable by Q1 2018 1c. Efficient and effective operation of BSCC by Q2 2016 1d. BSCC establishes process to achieve 99% of service availability by Q1 2018	1a. Signed agreements from BSCC 1b. Final acceptance of cable by BSCC 1c. BSCC operational reporting logs, including capacity sold to retailers 1d. Performance testing report, including target of 1 hour (industry standard) for fault handling time (measured by mean time to recovery)	1a. Lack of consortium financing delays implementation of the SEA-US 1b. Delay in obtaining landing permit in Guam 1b. Maintenance and support contract for branching unit is not in place before commercial operation

<p>Key Activities with Milestones</p> <p>1. Submarine cable connecting Palau to the international internet</p> <p>1.1 Award contracts by Q2 2016</p> <p>1.2 Carry out marine survey and complete marine operations for laying cables by Q3 2016</p> <p>1.3 Install terminal equipment by the end of Q2 2017</p> <p>1.4 Equip cable landing systems with the necessary cross-connect facilities for customers by Q2 2017</p> <p>1.5 Train cable company staff on landing facility operation and maintenance, and update skills and knowledge periodically by Q3 2017</p> <p>1.6 Put in place an appropriate cable repair and maintenance agreement for spur before completing laying of cable by Q2 2016</p> <p>1.7 Achieve commissioning, provisional acceptance, and be ready for service by Q1 2018</p> <p>1.8 BSCC secures final acceptance by Q1 2018</p> <p>Project Management Activities</p> <p>Continue regular monitoring and supervision until Q3 2018</p> <p>Follow up on safeguard issues and risk management plan in a timely manner until Q1 2018</p> <p>Manage contracts from Q1 2016 until Q1 2018</p> <p>Provide timely progress reports until Q3 2018</p> <p>Carry out regular accounting and annual audits until Q3 2018</p> <p>Inputs</p> <p>ADB: \$25.00 million (loan)</p> <p>Government: \$5.19 million</p> <p>Assumptions for Partner Financing</p> <p>Not applicable.</p>
--

BSCC = Belau Submarine Cable Corporation, ICT = information and communication technology, ISP = internet service provider, Q = quarter, SEA—US = Southeast Asia—United States West Subsystem.

^a Government of the Republic of Palau. 2013. *Palau National Information and Communication Technology Policy, 2013–2016*. Koror.

Source: Asian Development Bank.

B. Monitoring

40. **Project performance monitoring.** Within 6 months of the loan effectiveness, the PMU will establish a project performance and monitoring system. The ADB and the government will agree on a set of indicators for monitoring project progress and performance on a quarterly basis. This will include, but not be limited to, the targets and indicators in the design and monitoring framework and the implementation schedule. The PMU shall monitor and evaluate the indicators according to the agreed framework on a quarterly basis to determine the efficiency and effectiveness of the project. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through the MOF quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.¹⁰ Beneficiaries will be involved in project monitoring and evaluation. In addition, MicroPal will oversee and monitor the overall implementation.

41. **Compliance monitoring.** Compliance monitoring will be provided through regular quarterly progress reports and during regular ADB review missions.

42. **Safeguards monitoring.** The PMU will be responsible for monitoring safeguard activities through the consultants. The MOF will submit semi-annual safeguard monitoring

reports to ADB, and the findings will be incorporated into the progress reporting of the PMU. Before commencing work, the contractor will prepare a contractor's EMP which will establish how the contractor will comply with the EMP safeguard requirements. Monitoring of the contractor's work will be undertaken by the resident technical consultant with assistance of the safeguards specialist. Monitoring will also be carried out independently by Environmental Quality Protection Board. The ADB review missions will also check the progress on implementation of safeguard requirements, if any subproject involved significant safeguard issues. Checklists for monitoring and outline contents of safeguards monitoring reports are included in Appendix A.

C. Evaluation

43. Soon after the PMU consultants are mobilized, ADB will field an inception mission to agree with the MOF and BSCC the implementation requirements of the project, as well discuss in detail the procedures relating to procurement of works and goods, and disbursements.

44. The ADB and the government will undertake semiannual reviews of the project to consider the (i) scope of the project; (ii) implementation arrangements; (iii) compliance with loan covenants; (iv) physical achievements against targets and milestones; and (v) project implementation issues requiring resolution or action. A midterm review will be conducted within 2 years of the loan effectiveness date or sooner if construction activities are ahead of schedule. Prior to the midterm review, the MOF, with the assistance of PMU, will prepare a position paper outlining any proposals for any changes required under the project which will not adversely affect the project's outcomes. The midterm review will examine in detail the implementation progress and project design (institutional, administrative, organizational, technical, environmental, social, poverty reduction, economic, and financial aspects), and identify courses of action that would improve project performance, viability, and the achievement of targets and project objectives. All the assumptions and risks noted in the design and monitoring framework will be reviewed.

45. ADB will undertake a project completion review (PCR) of the project within 6 months of commissioning the submarine cable. The PCR will evaluate the processing and design of the project, both by ADB and the borrower, among others, (i) assess and evaluate the performance of the borrower, executing agency (EA) and implementing agency (IA) in managing and implementing the project, and in complying with ADB's guidelines, policies, practices, procedures, and loan covenants, and evaluate project costs, disbursements, and institutional improvements; (ii) assess the performance of consultants; (iii) review problems encountered during implementation and the effectiveness of measures to resolve them, by the borrower, EA, IA, and ADB; (iv) assess whether the borrower, EA, IA, and ADB monitored progress effectively in comparison with quantifiable and monitoring targets; (v) reevaluate the financial and economic performance of the project at its initial stage of operation and compare with the qualified indicators in the design and monitoring framework and project performance report; (vi) assess the project's transition to operations, and identify any remedial measures needed; (vii) assess future operation and maintenance schedules to ensure sustainability of the project; (viii) recommend any other steps that the borrower and IA need to take to ensure the project's sustainable operation; (ix) assess the performance of the monitoring and evaluation system established for the project and reexamine the indicators selected for monitoring operations and assessing development impact; (x) assess significant environmental and poverty reduction impacts (include socio-cultural impacts when applicable) of the project, and evaluate the implementation and effectiveness of any environmental control measures, resettlement plans,

and poverty reduction measures; and (xi) assess whether the immediate development objective has been met and the likelihood of attaining long-term development goal.

D. Reporting

46. The MOF will provide ADB with: (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure the project continues to be both viable and sustainable, project accounts and the EA audited financial statements, together with the associated auditor's report and the audit report of the BSCC should be adequately reviewed.

E. Stakeholder Communication Strategy

47. Prior to the inception mission, a communication strategy and communications plan will be prepared by the PMU that will indicate the types of information, means of communication, who will provide information, and to whom, including at what intervals to the stakeholders about the project as well as about its implementation.

IX. ANTICORRUPTION POLICY

48. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹¹ 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.¹²

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

¹¹ ADB. 2015. *Integrity Principles and Guidelines*. Manila (<http://www.adb.org/documents/integrity-principles-and-guidelines>)

¹² ADB's Integrity Office web site is available at: <http://www.adb.org/site/integrity/main>

X. ACCOUNTABILITY MECHANISM

50. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹³

¹³ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

XI. RECORD OF PAM CHANGES

Date Changed	Section Changed	Changes Made
1.		
2.		
3,		
4.		
5.		

Appendix A - Safeguards Compliance Checklists and Outline Contents of Monitoring Reports

Checklist for Safeguard Supervision/Monitoring (Environment)

PARD Safeguards Implementation Checklist: Environment					
Date: _____					
PROJECT INFORMATION					
Loan/Grant No.:		Project Name:			
Approval Date:		Closing Date:		Cumulative Progress (%):	
Project Team Leader(s):				Implementing Agency	
1) Categorization					
(Original)		A	<input type="checkbox"/>	B	<input type="checkbox"/>
(additional financing, if any)		A	<input type="checkbox"/>	B	<input type="checkbox"/>
<i>(Please complete the following sections if the project has been categorized as A, B or FI)</i>					
2) Planning					
Documents:		EARF	<input type="checkbox"/>	IEE/EIA	<input type="checkbox"/>
IEE/EIA Disclosed and Posted on ADB Website:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
EMP Finalized or Updated after Detailed Design:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
CEMP submitted, reviewed and approved:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
(Attach a list of subprojects and status if necessary.)		No. of IEE/EIA _____ EMP <input type="checkbox"/>			
		If no, actions? _____			
		If no, actions? _____			
		If no, actions? _____			
3) Institutional Setup					
PIU/PMU Environment Staff Assigned:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If yes, Name: _____		Since: _____ / _____ (month) (year)	
Environmental Specialist/Consultant Mobilized:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If yes, National Specialist's Name: _____		Since: _____ / _____ (month) (year)	
		If yes, International Specialist's Name: _____		Since: _____ / _____	
Participation of Gov. Environment Agency/Division:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If yes, Name: _____		Since: _____ / _____ (month) (year)	
Grievance Redress Mechanism Established:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, why? _____			
Allocation of Government Budget:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If yes, amount\$: _____		If no, actions? _____	
4) Monitoring and Reports					
Internal Monitoring System Established:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Compliance monitoring incorp. into Q Progress Reports:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
External Monitor Engaged (if needed):		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If yes, Name: _____		Since: _____ / _____ (month) (year)	
Monitoring Report Submitted to ADB:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If Yes, provide information below			
	Baseline Report	Report 1	Report 2	Report 3	Report 4
Submission Date (m/yr)					
ADB Review Date (m/yr)					
Web-posting Date (m/yr)					
Name of ADB Reviewer					
5) Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant					
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? _____			
		If Yes, provide information below _____			
Mission Date (m/yr)					
Type of mission:					
Participants (safeguard specialist/officer/staff consultants)					

6) Compliance with Loan Covenants List of key covenants in loan and project agreement			
Item #	Covenant	Compliance rating*	Describe status of compliance

*Note: Yes ; No; Not yet due

Overall safeguard rating (e-Operation):
S = Satisfactory; PS = Partly Satisfactory; US = Unsatisfactory

7) Status of Implementation of EMP Activities (Please provide a cross reference if it is already covered under Section 6 above)			
Item #	Items	Yes/No	Describe Implementation Status

8) Major Issues or Complaints (Cumulative)		Description
Item		
1	Issue	
	Proposed Action(s)	
	Follow-up Issues/Actions	
	Final Resolution of Issue	
2	Issue	
	Proposed Action(s)	
	Follow-up Issues/Actions	
	Final Resolution of Issue	

*Add rows as needed.

Prepared by: _____ **Confirmed by:** _____ **Confirmed by:** _____
Date: _____ **Team Leader:** _____ **Safeguard Specialist/Officer:** _____
Date: _____ **Date:** _____

To: Sector Director/Country Director
 cc: Project Team Leader; PARD Safeguard Specialist

IEE = initial environmental examination; EIA = environmental impact assessment; EMP = environmental management plan; FI = financial intermediary; MTR = mid-term review; PCR = project completion review; PIU/PMU = project implementation/management unit; TL = team leader; EARF = environmental assessment and review framework; SS = safeguard specialist

Checklist for Safeguard Supervision/Monitoring (Resettlement)

Checklist for Safeguard Supervision: Involuntary Resettlement								
PROJECT INFORMATION								
Loan/Grant No.:	Project Name:							
Approval Date:	Closing Date:		Cumulative Progress (%):					
Project Team Leader(s):			Project Analyst:					
1) Resettlement Categorization								
(Original)	A	<input type="checkbox"/>	B	<input type="checkbox"/>	C	<input type="checkbox"/>	FI	<input type="checkbox"/>
(additional financing, if any)	A	<input type="checkbox"/>	B	<input type="checkbox"/>	C	<input type="checkbox"/>	FI	<input type="checkbox"/>
<i>(Please complete the following sections if the project has been categorized as A, B or FI involving land acquisition/resettlement issues)</i>								
2) Resettlement Planning								
Resettlement Planning Documents:	RF	<input type="checkbox"/>	RP	<input type="checkbox"/>	Number of RPs _____	ESMS	<input type="checkbox"/>	
RP Finalized or Updated after Detailed Design: (Attach a list of subprojects and status if necessary.)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
Final/Updated RP Disclosed and Posted on ADB Website:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
Compensation Rates Approved by the Government:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
3) Institutional Setup for Resettlement								
PIU/PMU Resettlement Staff Assigned:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
	If yes, Name: _____			Since: _____ / _____		(month) (year)		
Resettlement Specialist Consultant Mobilized:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
	If yes, Name: _____			Since: _____ / _____		(month) (year)		
Grievance Redress Mechanism Established:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, why?			
Allocation of Government Budget:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
	If yes, amount\$: _____							
4) Resettlement Monitoring and Reports								
Internal Monitoring System Established:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
External Monitor Engaged (if needed):	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
	If yes, Name: _____			Since: _____ / _____		(month) (year)		
Monitoring Report Submitted to ADB:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
	If Yes, provide information below							
	Baseline Report	Report 1	Report 2	Report 3	Report 4			
Submission Date (m/yr)								
ADB Review Date (m/yr)								
Web-posting Date (m/yr)								
Name of ADB Reviewer								
5) Resettlement Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant								
	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions?			
	If Yes, provide information below							
Mission Date (m/yr)								
Type of mission								
Name of safeguard specialist/officer/staff consultants								

6) Compliance with Loan Covenants			
List of key covenants in loan and project agreement			
Item #	Covenant	Compliance rating*	Describe status of compliance
*Note: Yes ; No; Not yet due			
Overall safeguard rating (e-Operation):			
S = Satisfactory; PS = Partly Satisfactory; US = Unsatisfactory			
7) Status of Implementation of Resettlement Activities (Please provide a cross reference if it is already covered under Section 6 above)			
	Items	Yes/No	Describe Implementation Status
1	Satisfactory Consultation: clear responsibility; identification of stakeholders; consultations undertaken; and documentation		
2	Information of APs: database/inventory; ID cards		
3	Land Acquisition: Notification, survey, approvals		
4	Payment of compensation and allowances		
5	Relocation of affected assets and structures		
6	Rehabilitation income generation, employment		
7		
8) Major Resettlement Issues or Complaints (Cumulative)			
	Item	Description	
1	Issue		
	Proposed Action(s)		
	Follow-up Issues/Actions		
	Final Resolution of Issue		
2	Issue		
	Proposed Action(s)		
	Follow-up Issues/Actions		
	Final Resolution of Issue		
*Add rows as needed.			
Prepared by:			
Project Analyst:		Confirmed by:	
Date:		Team Leader:	
		Date:	
		Confirmed by:	
		Safeguard Specialist/Officer:	
		Date:	
To: Sector Director/Country Director			
cc: PAU Head; PARD Safeguard Specialist			
ESMS = environmental and social management system; FI = financial intermediary; MTR = mid-term review; PCR = project completion review; PAU = Project Administration Unit; PIU/PMU = project implementation/management unit; TL = team leader; RP = resettlement plan; RF = resettlement framework; SS = safeguard specialist			

Outline Contents of Safeguards Monitoring Report

Heading/Section	Contents
Introduction	Brief background on the project and subproject; Institutional arrangements for project management and environmental management;
Monitoring Activities	Who participated in the monitoring; Methodology for monitoring (whether checklists prepared etc); When the monitoring was undertaken and what period it covers; Summary of other monitoring undertaken in the period (i.e. form contractor's monthly reports and if any survey/sample monitoring undertaken); Main activities – observations/inspections, consultations, interviews with contractor staff etc
Works in Progress	Details of the works being undertaken, (with photographs); Include whether any environmental training/awareness has been provided to contractor staff in the period (what, by whom etc)
Monitoring Results and Actions Required	Whether works and measures comply with the approved EMP/CEMP and RP; Should follow sequence of items identified in EMP/CEMP and RP and verify that all mitigations measures noted are being implemented; Corrective actions cited (date to be resolved and person responsible on contractor team and verification by IA/PMU)
Summary and Conclusions	Summary of main findings; Main issues identified and corrective actions noted; Can include summary table which can be updated each period to track completion of actions required
Attachments	Monitoring checklist (based on items identified in the EMP/CEMP and RP) refer annex 1 Additional photographs Additional information as required