

Project Administration Manual

Project Number: 46443-002
[LXXXX-CAM]
October 2015

Kingdom of Cambodia:

Second Greater Mekong Subregion Corridor
Towns Development Project

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

The executing and implementing agencies of Government through the Ministry of Public Works and Transport and the Provincial Departments of the Public Works and Transport (PDPWT) are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the Government (borrower) and ADB (lender), and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by the executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and the 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 (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

ABBREVIATIONS

ADB	- Asian Development Bank
ADF	- Asian Development Fund
AFS	- audited financial Statements
CS	- contract supervision
CQS	- consultant Qualification Selection
DED	- detailed engineering design
DMF	- design and monitoring framework
DOWA	- Department of Women's Affairs
EARF	- environmental assessment and review framework
EIA	- environmental impact assessment
EMP	- environmental management plan
ESMS	- environmental and social management system
GACAP	- governance and anticorruption action plan
GDP	- gross domestic product
GDPW	- General Department of Public Works
ICB	- international competitive bidding
IEE	- initial environmental examination
LAR	- land acquisition and resettlement
LIBOR	- London interbank offered rate
MPWT	- Ministry of Public Works and Transport
NCB	- national competitive bidding
NGOs	- nongovernment organizations
PAI	- project administration instructions
PAM	- project administration manual
PDPWT	- Provincial Department of Public Works and Transport
PIU	project implementation unit
PMU	project management unit
QBS	- quality based selection
QCBS	- quality-and-cost based selection
RRP	- report and recommendation of the president to the board
SBD	- standard bidding documents
SOE	- statement of expenditure
SPRSS	- summary poverty reduction and social strategy
SPS	- safeguard policy statement
TOR	- terms of reference

I. PROJECT DESCRIPTION

1. The Second Greater Mekong Subregion (GMS) Corridor Towns Development Project (the project) represents the second phase of the ongoing GMS Corridor Towns Development Project in Cambodia, Lao PDR and Viet Nam.¹ It supports the first four strategic thrusts of the GMS Strategic Framework 2012–2022² namely (i) strengthening infrastructure linkages; (ii) facilitating cross-border trade, investment, and tourism; (iii) enhancing private sector participation and competitiveness; and (iv) developing human resources. The focus on corridor town development follows an approach that will maximize the economic benefits of increased trade and traffic flows along the major transport corridors in the GMS with the expected positive impacts resulting from accelerated investments in strategically located towns and cities, and added value on economic growth through development oriented on green growth and climate resilience. The objective is to strengthen competitiveness of the GMS economic corridors through environmental infrastructure.

2. Towns along the Southern Economic Corridor (SEC) which links Thailand with southern Viet Nam through Cambodia are well positioned to serve as dynamic centers of investment and economic growth. The strategic location of the corridor towns provides the stimulus for increased trade and investment. Access to markets will provide many incentives for local economies in the hinterlands of the corridor towns. Given these development opportunities, and with the rapid growth of the urban population and expansion of these areas, several corridor towns are now facing demands for urban infrastructure and essential support services, including Kampot and Sihanoukville.

3. The participating corridor towns in Cambodia, Kampot and Sihanoukville, continue to face the urgent task of coping with the demands of expanding urban areas. The local authorities want to plan and manage urban growth using an integrated approach, operate and maintain urban environmental and economic infrastructure and efficiently deliver municipal services. Kampot is a provincial capital and; an agricultural, commercial and service center and a regional tourism center. Its strategic location provides excellent road based connections in the SEC and to Phnom Penh the capital city. There are significant opportunities for increased economic activities and investments. Sihanoukville is a regional center and provincial capital with a rapidly expanding economy and significant levels of urbanization. Its success is built around investment in strategic infrastructure, including an international port, an airport and a special economic zone, coupled with a beach environment that has given the town an international resort status.

4. **Impact and Outcome.** The project's impact for Kampot and Sihanoukville towns will be aligned with the government's National Strategic Development Plan (2014 – 2018) promoting growth that is sustainable, inclusive, equitable and resilient; creating employment, including through improving competitiveness; promoting equity through reducing poverty, improving environmental sustainability, and promoting efficiency through further strengthening institutional capacity and governance.³

¹ ADB. 2012. Loan 2983-CAM: Greater Mekong Subregion Southern Economic Corridor Towns Development Project, Loan 2931-LAO: Greater Mekong Subregion East-West Economic Corridor Towns Development Project, and Loan 2969-VIE: Greater Mekong Subregion Corridor Towns Development Project. Manila.

² ADB. 2011. *The Greater Mekong Subregion Economic Cooperation Program Strategic Framework: 2012–2022*. Manila.

³ Ministry of Planning, Royal Government of Cambodia. 2014. *National Strategic Development Plan (NSDP), 2014–2018*. Phnom Penh.

5. **Outputs.** Outputs of the project are: (1.) Strategic Local Economic Development Plans (SLEDPs) developed; (2.) priority urban infrastructure investments implemented; (3.) institutional capacities for managing public investments strengthened; and (4.) community awareness on project activities and environmental sustainability improved.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

	2015						2016					
Indicative Activities	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Advance contracting actions												
Consultant Selection												
-Detailed Design												
-Project Imp. Support							■	■	■	■	■	■
Land Acquisition Activities							■	■	■	■	■	■
ADB Board approval					Δ							
Loan signing						Δ						
Government legal opinion provided												
Government budget inclusion												
Loan effectiveness							Δ					

Project Readiness Filters

	Key Project Preparation Elements	Stage of Project Preparation					Status
		Fact-Finding (28 May- 3 June 2015)	Time Between Fact-Finding & Negotiations	Negotiations	Approval	Effectiveness	
1	Project Administration Manual (PAM)	Drafted	Completed				
2	Project Coordination Unit and Project Implementation Units established	Project organization chart agreed					
3	Procurement Capacity Assessment	Completed					
4	Financial Management Assessment	Under review	Completed				
5	Advance Action for Consulting Services	Recruitment of Start-up Procurement Advisor initiated					
6	Procurement Plan for 1 st 18 months	Drafted	Completed	TOR updated			
7	Recruitment of 1 st year Consultants	Draft TOR for PISCB under review		Under preparation			
8	Procurement of 1 st Year Works and Goods	Not started yet		Not started yet			
9	Environmental Impact Assessment, Social Impact Assessment, Land Acquisition, Land Resettlement Plan and Ethnic Minority Development Plan (where applicable)	Draft IEE and EMPs under final review; draft RPs under review and final IOL, SES, public consultations ongoing, no EMDP required	Completed				
10	Implementation of Resettlement						

	Key Project Preparation Elements	Stage of Project Preparation					Status
		Fact-Finding (28 May- 3 June 2015)	Time Between Fact-Finding & Negotiations	Negotiations	Approval	Effectiveness	
	Plan (at least for 1 st year) with attention to respective budget						
11	Established coordination between IRC and EA			Established			
12	Governance, risk plans, including a Complaints Handling Mechanism						
13	Monitoring & Evaluation Plan						

B. Overall Project Implementation Plan

Project Component	2015				2016				2017				2018				2019				2020						
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3
Project Start-Up																											
1. Recruit Project Implementation Support and Capacity Building Consultants																											
A. Kampot – All Subproject Components																											
1. Detailed Engineering Design																											
2. Bidding and Award																											
3. Construction and Implementation																											
4. Restoration of Dumpsite																											
5. Land Acquisition/Resettlement																											
B. Sihanoukville – All Subproject Components																											
1. Detailed Engineering Design																											
2. Bidding and Award																											
3. Construction and Implementation																											
4. Land Acquisition/Resettlement																											
C. Project Management, Implementation and Institutional Strengthening (<i>Both Cities</i>)																											
1. Training and Capacity Building																											
2. Institutional Strengthening																											

Note:

- Defects Liability Periods for Civil Works Contracts
- - - - - Intermittent Inputs of Various Consultancies

III. PROJECT MANAGEMENT ARRANGEMENTS

6. The Ministry of Public Works and Transport (MPWT), through its General Department of Public Works (GDPW), will be the Executing Agency (EA) for the project in Cambodia. A Project Steering Committee (PSC) will be established and will be headed by the Secretary of State for MPWT. The PSC will include representation from: (i) key ministries, including the Ministry of Economy and Finance (MEF), Ministry of Land Management, Urban Planning and Construction (MLMUPC), Ministry of Environment (MoE), Ministry of Tourism (MoT) and the Ministry of Women's Affairs (MoWA); (ii) Kampot and Sihanoukville provincial and municipal governments; and (iii) other agencies or entities that may be recommended by the EA. The ADB may be invited to join the meetings from time to time. The PSC will assist project implementation in coordinating the initiatives of the different ministries with regard to the design and implementation of the subprojects, including orienting actions to ensure their sustainability and overseeing project activities at national level.

7. The EA will establish a centralized project management unit (PMU), within the GDPW and the PMU director will be designated by the PSC chairman. The PMU will execute and provide overall supervision of the subprojects, including selection of consultants and procurement of civil works and goods. The Provincial Departments of Public Works and Transport (PDPWTs) in both provinces will be the Implementing Agencies (IAs). The IAs will establish project implementation units (PIUs) in each town to manage the day-to-day activities, including supervision of civil works contractors. The PIUs will be responsible for overseeing and coordinating the implementation of the subproject components and in particular: (i) promote the project to the targeted beneficiaries; (ii) evaluate in detail the technical, financial, economic, social, environmental and planning viability of the subprojects; (iii) undertake project supervision and monitoring; (iv) establish and implement the proposed Project Performance Monitoring System (PPMS); (v) prepare community action plans and implement public consultation; (vi) assist in evaluating bids; (vii) supervise construction contracts; (viii) administer the grievance redressal system for non-safeguard complaints; (vii) prepare periodic project progress reports and annual reports for submission to the EA; and (ix) exercise quality control.

8. The PIUs and the PMU will liaise on a day to day basis and on key policy related project design and implementation aspects, including social and environmental safeguards and construction works monitoring.

9. The structure and resources of the PIUs will reflect the needs of the subprojects in each town and will be built around the existing professional, administrative and technical support staff and supplemented as appropriate. They will include five areas: (i) finance and accounting; (ii) environment professional(s), including solid waste management; (iii) social development/gender professional(s); (iv) urban development planner; and (v) project coordinator/procurement/contracts/construction professional(s).

10. Land acquisition and resettlement Plan will be approved and implemented by and under the management of the Inter-Ministerial Resettlement Committee (IRC) chaired by the Ministry of Economy and Finance with membership from the representatives of relevant line ministries in close cooperation with the Kampot and Sihanoukville Provincial Resettlement Sub-committees. The IRC is assisted by the Resettlement Department of the Ministry of Economy and Finance, which acts as secretariat of the IRC, and by the PMU. An external monitoring organization, to be recruited by the IRC, will monitor implementation of the RPs.

A. Project Implementation Organizations – Roles and Responsibilities

Table 1: Project Implementation Organizations – Roles and Responsibilities

Project implementation Organization	Management Roles and Responsibilities
<ul style="list-style-type: none"> Ministry of Public Works and Transport (MPWT) <i>General Department of Public Works (GDPW-MPWT)</i> 	<p>Executing Agency (EA)</p> <p>Project Management Unit (PMU -Central)</p> <ul style="list-style-type: none"> Execute and provide overall supervision of the subprojects, including selection of consultants, procurement of civil works and goods, and preparation of detailed design and procurement documents, bid evaluation and contract awards. Administer and manage the imprest account Day to day coordination and liaison with the two PIUs (through the provincial governors in Kampot and Sihanoukville) and other relevant bodies (including the PSC and Provincial Project Coordinating Council) to ensure policy, administrative and financial compliance as well as project progress and quality control. Ensure compliance with loan covenants and with ADB's safeguard policy and provisions in the EMPs and RPs Submit disbursement projections and ensure counterpart fund allocation Prepare, update and submit resettlement plans to IRC for review and approval prior to submission to the ADB for agreement prior to implementation, and conduct regular monitoring of RP implementation Chair the Project Steering Committee Submit regular (quarterly and annual) project reports to ADB Review and endorse any proposed change in project scope or implementation arrangements. <p>Project Steering Committee (PSC)</p> <ul style="list-style-type: none"> Coordinate and liaise with ministries and other agencies at national level on common policy, regulatory context, implementation procedures and financial issues
<ul style="list-style-type: none"> Provincial Departments of Public Works and Transport (PDPWTs) 	<p>Project Implementation Units (PIUs – Kampot and Sihanoukville)</p> <ul style="list-style-type: none"> Undertake day to day management of the project activities Supervise the consultants for project management, capacity building and awareness building Update EMPs and validate costs in the project cost table Assist the PMU in the monitoring of the implementation of resettlement plans Supervise civil works contractors Ensure environmental protection and mitigation measures (in the EMPs) are incorporated in detailed designs and contract awards. Ensure implementation of the EMPs and submit regular monitoring reports through the IAs to the EAs Implement GAP, Poverty Reduction and Social Strategy, Stakeholder Participation Plan and capacity building program. Set up and maintain project financial management system and be responsible for project payments through sub-account. Serve at the Secretariat for the Provincial Project Coordinating Council

Project implementation Organization	Management Roles and Responsibilities
	<p>Provincial Project Coordinating Council</p> <ul style="list-style-type: none"> ▪ Ensure that concerns of all local stakeholders are adequately addressed by the project; ▪ Coordinate between concerned provincial and national agencies; ▪ Confirm compliance with local regulations and provincial policies; ▪ Oversee budgeting and disbursement of counterpart funds; ▪ Oversee implementation of resettlement plan, compensation schemes and all other project safeguard procedures.
ADB	<p>Funding Agency</p> <ul style="list-style-type: none"> ▪ Review and approve procurement and disbursement requests. ▪ Conduct six monthly reviews to assess: (i) overall project implementation; (ii) land acquisition and resettlement; (iii) environmental management; (iv) project expenditure, disbursements and counterpart funding, (v) procurement and contract awards; (vi) compliance with loan covenants; (vii) achievement of project outputs and outcomes ▪ Update the project performance review reports in conjunction with the EAs ▪ Ensure compliance of financial audits and recommendations ▪ Post project documents requiring public disclosure on ADB web-site (e.g., ADB safeguards compliance) ▪ Conduct mid-term project review to: (i) assess need to restructure or reformulation of the project; (ii) update the project DMF; (iii) assess need to keep to the project completion deadline.

Project Implementation Units (Key Staff – Roles and Responsibilities)

Key Position	Roles and Responsibilities
Director PIU/Engineer	<ul style="list-style-type: none"> ▪ Coordination and liaison with central government agencies, PPC, wards and communes and other stakeholders; ▪ Management of the PIU staff and the Consultants. ▪ Oversight of contract management, construction, works, monitoring and operations and maintenance; ▪ Ensuring design and implementation of the sub-projects in a timely manner and to a high quality; ▪ Advising on relevant government policies and guidelines relevant to the design and implementation of the subprojects; ▪ Providing overall support to the consultant selection process; and ▪ Establishing the consultant services office and facilities.
Environment Professional	<ul style="list-style-type: none"> ▪ Coordination and liaison with counterparts in the consultants' team; ▪ Coordination with the environment consultants on the implementation of the EMP and the application of environment safeguards in both towns; ▪ Assisting the environment consultants in the design and conduct of environmental monitoring, including water quality testing and air pollution; ▪ Advising on relevant government policies and guidelines relevant to the environment sector; ▪ Coordination and liaison with key stakeholders, including government agencies, private sector companies and project affected communities; and ▪ Attending training seminars and workshops as part of the capacity building program.
	<ul style="list-style-type: none"> ▪ Coordination with the social, gender and livelihood consultants on the design and implementation of the social development initiatives and in particular the Gender

Key Position	Roles and Responsibilities
Social Development and Gender Specialist	<ul style="list-style-type: none"> Action Plan (GAP); Assisting the social, gender and livelihood consultants in coordination and liaison with key stakeholders, including the project affected communities. Assisting the social, gender and livelihood consultants in working closely with the Department of Women's Affairs and communities on the environmental awareness and livelihood related initiatives proposed in both towns; Advising on relevant government policies and guidelines relevant to the social development and gender sectors; and Attending training seminars and workshops as part of the capacity building program.
Urban Development Planner	<ul style="list-style-type: none"> Coordination and liaison with counterparts in the consultants' team; Coordination with the other consultants and in particular the consultants concerned with "Enabling Strategic Local Economic Development Plan (SLEDP) Implementation" Helping to ensuring design and implementation of the subproject components in a timely manner and to a high quality; Coordination and liaison with key stakeholders, including government agencies, private sector companies, and the project affected communities; and Attending training seminars and workshops as part of the capacity building program.
Finance and Accounting Professional	<ul style="list-style-type: none"> Coordination and liaison with counterparts in the consultants' team; Coordination with the financial and administration specialists on all the financial, accounting and auditing aspects of the project in both towns; Assisting in the implementation and operation of the financial management systems and for financial accounting, reporting and loan disbursements, financial projections and budgeting; Advising on government policies and guidelines relevant to the project's financial management and accounting; and Attending training seminars and workshops for capacity development.

NB: It is assumed that 1 of the advised engineering professionals should also have procurement expertise.

Table 2: Summary Implementation Arrangements

Aspects	Arrangements
Implementation period	January 2016 – December 2020
Estimated completion date	31 December 2020
Estimated loan closing date	30 June 2021
Management	
<ul style="list-style-type: none"> Project Steering Committee 	Secretary of State, MPWT (Chair) with representatives from Ministry of Economy and Finance (MEF), Ministry of Land Management, Urban Planning & Construction (MLMUPC), Ministry of Environment (MOE), Ministry of Tourism (MOT), Ministry of Women's Affairs (MWA), and Kampot and Sihanoukville provincial governments. The PMU will be the secretariat of PSC meetings.
<ul style="list-style-type: none"> Inter-Ministerial Resettlement Committee (IRC) 	Chaired by the representative of the MEF with representation from the MPWT, MLMUPC. The Resettlement Department of the MEF is the secretariat of the IRC.
<ul style="list-style-type: none"> Executing Agency 	Ministry of Public Works and Transport (MPWT) through its General Department of Public Works (GDPW)
<ul style="list-style-type: none"> Project Management Unit 	Project director, procurement officer, finance officer, technical officer, social & environmental affairs officer, municipal development planning officer, impact assessment officer, general administrator
<ul style="list-style-type: none"> Implementing Agencies 	Provincial Departments for Public Works and Transport (PDPWT) – Kampot and Sihanoukville
<ul style="list-style-type: none"> Provincial Project Coordinating Council 	Vice Governor (Chair) with representatives from Department of Economy and Finance (DoEF), Department of Land Management & Urban Planning (DLMUP), Department of Environment (DoE), Department of Tourism

Aspects	Arrangements		
	(DoT), Department of Women's Affairs (DoWA), and district office/town authorities. The PIUs will be the secretariat of PPCC meetings.		
▪ Provincial Resettlement Sub-Committee	Chaired by the Governor or Vice Governor with representatives from relevant provincial departments.		
▪ External Monitoring Organization for RPs	Independent agency recruited by the IRC.		
▪ Project Implementation Units	Chief of PIU, deputy chief of PIU, administrative & finance officer, technical officer, urban development planner, social & environmental officer, impact assessment officer and coordinator.		
Procurement	International competitive bidding	2 contracts	\$19.33 million
	National competitive bidding	3 contracts	\$ 5.68 million
	All procurement under the ADB loan in accordance with ADBs <i>Procurement Guidelines</i> (2015, as amended from time to time).		
Consulting services	Consulting Firm (quality-cost based selection, 80:20, full technical proposal)	328 person months	\$3.58 million
Advance contracting	MPWT will ask for advance contracting of project implementation support and capacity building consultants (PISCB). Advance action does not commit the ADB to subsequent project approval.		
Disbursement	The loan proceeds will be disbursed in accordance with ADB's <i>Loan Disbursement Handbook</i> (2015, as amended from time to time) and detailed arrangements agreed upon between the Government and the ADB.		

B. Key Persons Involved in Implementation

Table 3: Key Persons Involved in Implementation

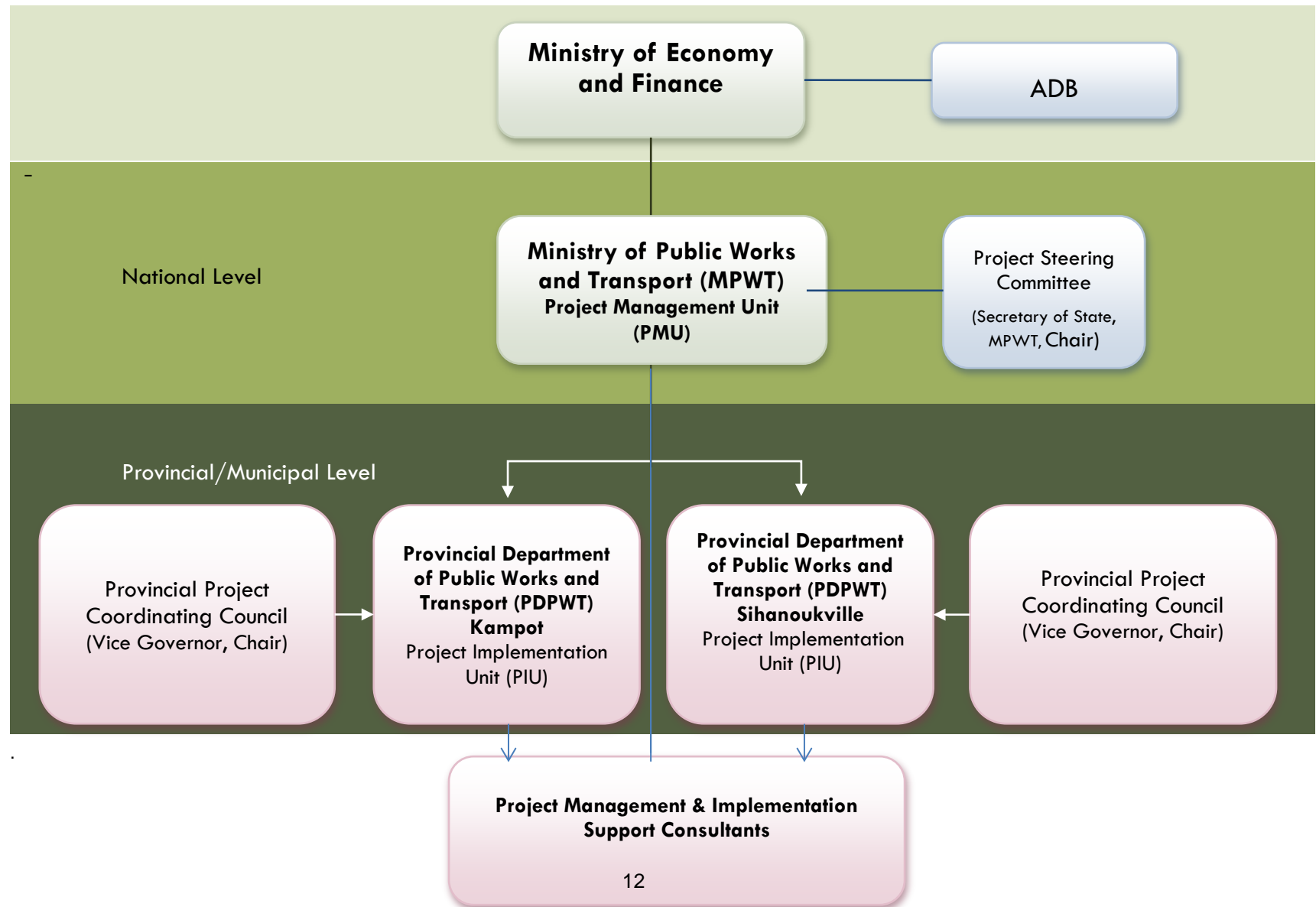
Executing Agency/Project Organization	
The Royal Government of Cambodia	
<ul style="list-style-type: none"> Ministry of Public Works and Transport (MPWT) 	<p>Executing Agency: MPWT H.E. Lim Sidenine, Position: Secretary of State Office Address: Ministry of Public Works and Transport, CNR Norodom Blvd. & Street # 106, Phnom Penh, Cambodia Phone: +855 12 500 444 Email address: limsidenine@yahoo.com</p> <p>Project Management Unit: PMU-MPWT Mr. Vong Pisith, Position: Director General – General Directorate of Public Works Office Address: Ministry of Public Works and Transport, CNR Norodom Blvd. & Street # 106, Phnom Penh, Cambodia Telephone No: +855 23 426 110 Fax No: +855 23 426 110 Phone: +855 12 833 411 Email address: vong_pisith@yahoo.com</p>

Executing Agency/Project Organization		
<ul style="list-style-type: none">Sihanoukville Public Works and Transport Department (SPWTD)	Project Implementation Unit: PIU-SPWTD Mr. Nop Heng Position: Director of Sihanoukville Public Works and Transport Department Office Address: Sihanoukville Public Works and Transport Department, Sihanoukville Town, Cambodia Telephone No: +855 Fax No: +855 Phone: +855 12 453 006 Email address: nop.heng@gmail.com	
	<ul style="list-style-type: none">Kampot Public Works and Transport Department (KPWTD)	Project Implementation Unit: PIU-KPWTD Mr. Lim Sambo Position: Director of Kampot Public Works and Transport Department Office Address: Kampot Public Works and Transport Department, Kampot Town, Cambodia Telephone No: +855 Fax No: +855 Phone: +855 12 889 788 Email address: limsambo@gmail.com
ADB		
Southeast Asia Urban Development and Water Division	Staff Name Position Telephone No Email address	Tatiana Gallego-Lizon Director +632 632-6208 tgallego-lizon@adb.org
Mission Leader	Staff Name Position Telephone No Email address	Rudolf Frauendorfer Lead Urban Development Specialist +632 632-6379 rfrauendorfer@adb.org

11. The institutional arrangements for environment safeguards is presented in Appendix 6.

C. Project Organization Structure

Figure 1: Implementation Structure



IV. COST AND FINANCING

12. The proposed project is estimated to cost \$38.10 million. The government has requested a loan of \$33.00 million to finance the project. The ADF loan will have a term of 32 years, including grace period of 8 years, and interest rate of 1.0% per annum during the grace period and 1.5% thereafter.

13. The ADB will finance infrastructure cost, project management cost, detailed design, construction supervision, capacity building, a portion of incremental administration cost, and finance charges during implementation. The government will finance land acquisition and resettlement, salary supplements and project audits, and taxes and duties. Taxes and duties will be funded through annual budget allocation. The financing plan is shown in the table below.

Table 4: Financing Plan - Cambodia
(\$ million)

Source	Amount	Share of Total (%)
Asian Development Bank (Asian Development Fund)	33.00	86.6%
Government of Cambodia	5.10	13.4%
Total	38.10	100.0%

Source: Asian Development Bank estimates.

A. Detailed Cost Estimates by Expenditure Category

Table 5: Cost Estimate by Expenditure Category

Item		KR billion			\$ million			% of Total Base Cost
		Local	Foreign	Total	Local	Foreign	Total	
A.	Base Cost							
1	Civil Works	68.80	33.79	102.59	16.36	8.04	24.39	77.5%
2	Equipment and Materials	1.78	0.76	2.55	0.43	0.18	0.61	1.9%
3	Land Acquisition and Resettlement	8.63	-	8.63	2.13	-	2.13	6.5%
4	Project Implementation and Capacity Building	6.96	7.81	14.78	1.69	1.89	3.58	11.2%
5	Incremental Administration Cost							
5A	Salary Supplements and Project Audit	1.24	0.31	1.55	0.30	0.07	0.37	1.2%
5B	Other Incremental Administration Cost	1.88	0.47	2.35	0.45	0.11	0.56	1.8%
	Subtotal (A)	89.30	43.15	132.45	21.35	10.30	31.64	100.0%
B.	Contingencies							
1	Physical contingencies	8.01	4.32	12.33	1.91	1.03	2.95	9.3%
2	Price contingencies	9.25	1.87	11.12	2.21	0.45	2.66	8.4%
	Subtotal (B)	17.26	6.19	23.45	4.12	1.48	5.61	17.7%
C.	Financial Charges During Implementation	-	3.58	3.58	-	0.85	0.85	2.7%
	Total (A+B+C)	106.56	52.92	159.48	25.47	12.63	38.10	120.4%

Base cost in April 2015 prices. Includes taxes and duties of \$2.63 million (financed by government through exemptions, except for taxes and fees relating to other incremental administration cost that are financed under the ADB loan); and land acquisition and resettlement (LAR) costs of \$2.13 million (financed by government).

Physical contingency is 11.1%.

Price contingency is based on foreign inflation rates of 0.3% in 2015, 1.5% in 2016, 1.4% in 2017 and 1.5% from 2018 and onwards; and local inflation rates of 3.0% in 2015, 2.7% in 2016, and 3.5% from 2017 and onwards.

ADB loan interest at 1% per year.

Source: ADB estimates

B. Allocation and Withdrawal of Loan Proceeds

Table 6: Allocation and Withdrawal of Loan Proceeds

No.	Item	Amount Allocated \$ million	Percentage and Basis for Withdrawal from Loan Account	
1	Civil Works**	22.18	100%	of total amount claimed*
2	Equipment and Materials**	0.55	100%	of total amount claimed*
3	Project Implementation and Capacity Building**	3.25	100%	of total amount claimed*
4	Other Incremental Administration Cost**	0.56	100%	of total amount claimed
5	Financial Charges During Implementation	0.85	100%	percent of amounts due
6	Unallocated	5.61		
	Total	33.00		

Source: ADB estimates

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

** Subject to the condition for withdrawal described in the loan agreement (Paragraph 5 of Schedule 3)

C. Detailed Cost Estimates by Financier

Table 7: Detailed Cost Estimates by Financier

(\$ million)

Item		ADB		Government				Total
		Amount	%	Amount	Amount (Taxes and Duties)	Amount (Total)	%	
A.	Base Cost							
1	Civil Works	22.18	90.9%	-	2.22	2.22	9.1%	24.39
2	Equipment and Materials	0.55	90.9%	-	0.06	0.06	9.1%	0.61
3	Land Acquisition and Resettlement	-	0.0%	2.13	-	2.13	100.0%	2.13
4	Project Implementation and Capacity Building	3.25	90.9%	-	0.33	0.33	9.1%	3.58
5	Incremental Administration Cost							
5A	Salary Supplements and Project Audit	-	0.0%	0.34	0.03	0.37	100.0%	0.37
5B	Other Incremental Administration Cost	0.56	100.0%	-	-	-	0.0%	0.56
	Subtotal (A)	26.54	83.9%	2.47	2.63	5.10	16.1%	31.64
B.	Contingencies							
1	Physical contingencies	2.95	100.0%	-	-	-	0.0%	2.95
2	Price contingencies	2.66	100.0%	-	-	-	0.0%	2.66
	Subtotal (B)	5.61	100.0%	-	-	-	0.0%	5.61
C.	Financial Charges During Implementation	0.85	100.0%	-	-	-	0.0%	0.85
	Total (A+B+C)	33.00	86.6%	2.47	2.63	5.10	13.4%	38.10

Base cost in April 2015 prices. Includes taxes and duties of \$2.63 million (financed by government through exemptions, except for taxes and fees relating to other incremental administration cost that are financed under the ADB loan); and land acquisition and resettlement (LAR) costs of \$2.13 million (financed by government).

Physical contingency is 11.1%.

Price contingency is based on foreign inflation rates of 0.3% in 2015, 1.5% in 2016, 1.4% in 2017 and 1.5% from 2018 and onwards; and local inflation rates of 3.0% in 2015, 2.7% in 2016, and 3.5% from 2017 and onwards.

Incremental administration cost includes \$0.37 million for salary supplements and project audits (financed by government), and \$0.56 million for ADB loan interest at 1% per year.

Source: ADB estimates

D. Detailed Cost Estimates by Outputs

Table 8: Detailed Cost Estimates by Outputs

Project Cost				Financing Plan					
(\$ million)				ADB		Government			
Item	Amounts	% of Total Cost		Amount	%	Amount	Taxes + Duties	Subtotal	%
A. Base Cost									
1 Kampot									
1.1 Wastewater collection and treatment	9.74	26%		7.28	75%	1.73	0.73	2.46	25%
1.2 Solid waste management	3.01	8%		2.53	84%	0.23	0.25	0.48	16%
1.3 Urban drainage	1.81	5%		1.48	82%	0.17	0.15	0.32	18%
Subtotal Kampot	14.56	38%		11.30	78%	2.13	1.13	3.26	22%
2 Sihanoukville									
2.1 Solid waste management	2.90	8%		2.64	91%	-	0.26	0.26	9%
2.2 Urban drainage	9.68	25%		8.80	91%	-	0.88	0.88	9%
Subtotal Sihanoukville	12.58	33%		11.44	91%	-	1.14	1.14	9%
3 Project Implementation and Capacity Building	3.58	9%		3.25	91%	-	0.33	0.33	9%
4 Incremental Administration Cost									
4A Salary Supplements and Project Audit	0.37	1%		-	0%	0.34	0.03	0.37	100%
4B Other Incremental Administration Cost	0.56	1%		0.56	100%	-	-	-	0%
Subtotal (A)	31.64	83%		26.54	84%	2.47	2.63	5.10	16%
B. Contingencies									
1 Physical contingencies	2.95	8%		2.95	100%	-	-	-	-
2 Price contingencies	2.66	7%		2.66	100%	-	-	-	-
Subtotal (B)	5.61	15%		5.61	100%	-	-	-	-
C. Financial Charges During Implementation	0.85	2%		0.85	100%	-	-	-	-
Total (A+B+C)	38.10	100%		33.00	86.6%	2.47	2.63	5.10	13.4%

Base cost in April 2015 prices. Includes taxes and duties of \$2.63 million (financed by government through exemptions, except for taxes and fees relating to other incremental administration cost that are financed under the ADB loan); and land acquisition and resettlement (LAR) costs of \$2.13 million (financed by government).

Physical contingency is 11.1%.

Price contingency is based on foreign inflation rates of 0.3% in 2015, 1.5% in 2016, 1.4% in 2017 and 1.5% from 2018 and onwards; and local inflation rates of 3.0% in 2015, 2.7% in 2016, and 3.5% from 2017 and onwards.

ADB loan interest at 1% per year.

Incremental administration cost includes \$0.37 million for salary supplements and project audits (financed by government), and \$0.56 million for other incremental administration cost. Salary supplements and project audits includes supplemental salary that may be provided to government officials working on the project, and project audits (estimated by \$10,000 per year), both financed by the government. Other incremental administration cost includes salaries of contract staff (if any), travel expenses, transport, office running costs, equipment computer, copier, fax machine, air conditioner, camera, telephone, GPS, voice recorder, etc.) and insurance and translation costs, financed under the ADB loan. ADB will finance taxes and duties for other incremental administration cost, provided that (i) the amount will be within the reasonable threshold identified during the CPS preparation process, (ii) the amount will not represent an excessive share of the project investment plan, (iii) the taxes and duties apply only to ADB-financed expenditures, and (iv) the financing of the taxes and duties is material and relevant to the success of the project.

Source: ADB estimates

E. Detailed Cost Estimates by Year

Table 9: Expenditure Category by Year

		(\$ million)					
Item		2016	2017	2018	2019	2020	Total
A.	Base Cost						
1	Civil Works	-	7.28	12.08	5.01	0.03	24.39
2	Equipment and Materials	-	0.24	0.37	-	-	0.61
3	Land Acquisition and Resettlement	2.13	-	-	-	-	2.13
4	Project Implementation and Capacity Building	1.80	0.52	0.67	0.52	0.06	3.58
5	Incremental Administration Cost						
5A	Salary Supplements and Project Audit	0.06	0.09	0.11	0.09	0.02	0.37
5B	Other Incremental Administration Cost	0.08	0.14	0.17	0.14	0.03	0.56
	Subtotal (A)	4.07	8.28	13.40	5.76	0.13	31.64
B.	Contingencies						-
1	Physical contingencies	0.38	0.77	1.25	0.54	0.01	2.95
2	Price contingencies	0.34	0.69	1.12	0.48	0.01	2.66
	Subtotal (B)	0.72	1.47	2.37	1.02	0.02	5.61
C.	Financial Charges During Implementation	0.11	0.22	0.36	0.16	0.00	0.85
	Total (A+B+C)	4.90	9.96	16.13	6.94	0.16	38.10

Base cost in April 2015 prices. Includes taxes and duties of \$2.63 million (financed by government through exemptions, except for taxes and fees relating to other incremental administration cost that are financed under the ADB loan); and land acquisition and resettlement (LAR) costs of \$2.13 million (financed by government).

Physical contingency is 11.1%.

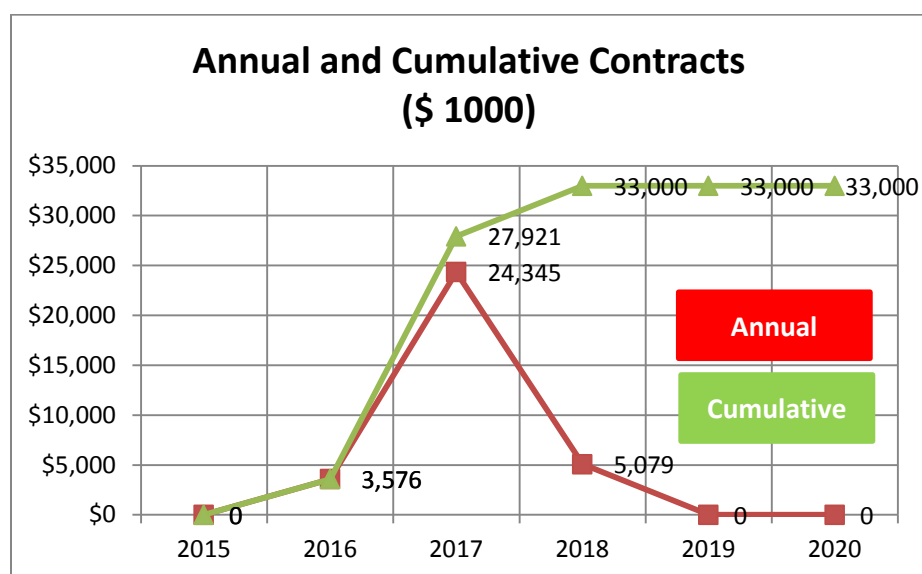
Price contingency is based on foreign inflation rates of 0.3% in 2015, 1.5% in 2016, 1.4% in 2017 and 1.5% from 2018 and onwards; and local inflation rates of 3.0% in 2015, 2.7% in 2016, and 3.5% from 2017 and onwards.

ADB loan interest at 1% per year.

Source: ADB estimates

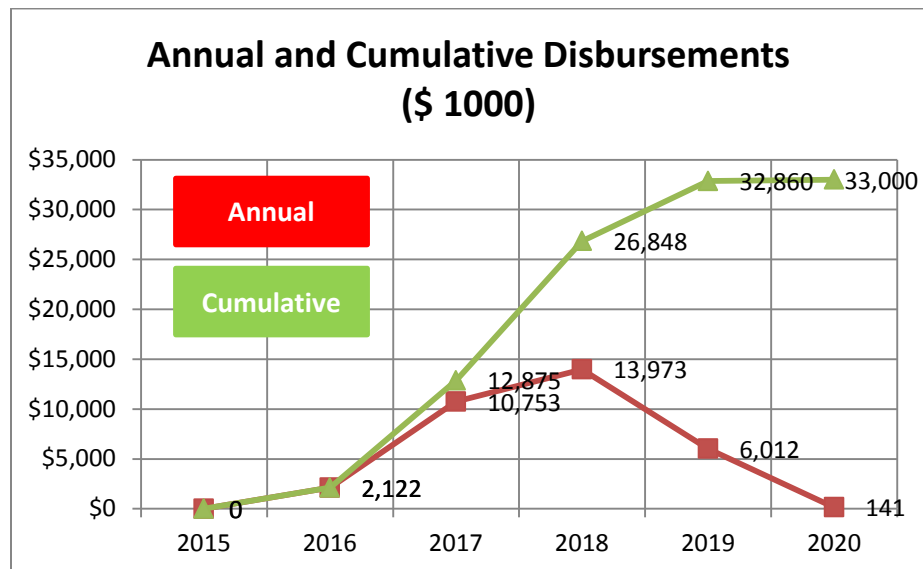
F. Procurement S-Curve

Figure 2: Annual and Cumulative Contracts



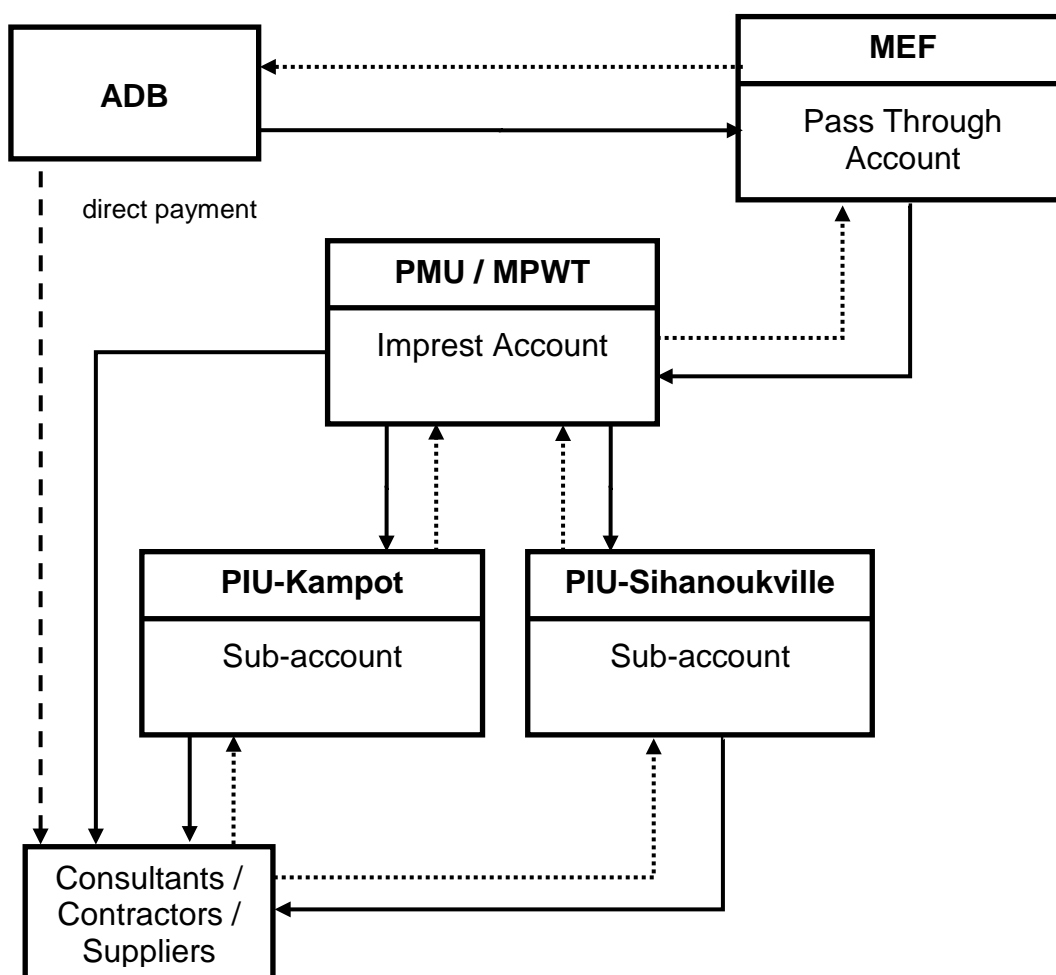
G. Disbursement S-Curve

Figure 3: Annual and Cumulative Disbursements



H. ADB Funds Flow Diagram

Figure 4: Proposed ADB Funds Flow



Notes:

ADB – Asian Development Bank
 MPWT – Ministry of Public Works and Transport
 MEF – Ministry of Economy and Finance
 PMU – Project Management Unit
 PIU - Project Implementation Unit

—> Funds flow
> Documents flow

V. FINANCIAL MANAGEMENT

A. Project Financial Management Assessment

14. Overall assessment of project financial management risk is high. The risks identified as high include: (i) un-insured fixed assets (except for vehicle), weak asset monitoring and inventory arrangement; (ii) levels of tariff are not linked to O&M requirement; (iii) weak internal financial control; (iv) unrealistic projections for budget allocation of revenue and expenditure; and (v) lack of knowledge/ training in ADB procurement and disbursement procedures. While all the risks identified are a threat to the successful implementation and sustainability of the completed infrastructure, the most critical is the issue on financial sustainability through committed funding for O&M from the local government in cases where revenue is not enough to cover O&M cost.

15. This assessment raises concerns about the capacity to administer the project in accordance with the financial management procedures. The risks identified will be minimized through a capacity building assistance that will include training for the EA and IA on fixed asset management. This will be further strengthened by providing the staff with ADB training on project implementation, disbursement and procurement procedures. As a result of these measures, as well as through consultant support, it is anticipated that the EAs and IAs will have sufficient capacity and support for financial management. Also, the implementation of the required tariff to attain financial sustainability will be strengthened and monitored as part of the financial covenants.

16. The Financial Management Assessment (FMA) was conducted in accordance with the ADB Financial Management Technical Guidance Note (May 2015). Data were gathered from a completed FMA questionnaire (FMAQ) by the EAs and IAs, and interviews with the relevant government officials. The FMA covered the following aspects: (i) organization and staff capacity; (ii) information management; (iii) budgeting and funds flow arrangement; (iv) safeguard of assets; (v) strengths and weaknesses; (vi) accounting policies and procedures; (vii) audit; and (viii) project financial reporting system. The FMA was conducted in October 2014.

17. The proposed project is designed to support economic, socio-cultural and environmental development in Kampot and Sihanoukville city to contribute to making Cambodia an industrialized country by 2020 (National Strategic Development Plan 2014-2018). The intended project outcomes are improved urban services in the two participating towns. The outputs are: (i) Strategic Local Economic Development Plans (SLEDPs) developed; (ii) priority urban infrastructure and urban upgrading projects implemented; (iii) institutional capacities for managing public investments strengthened; and (iv) community awareness on project activities, and environmental sustainability improved.

18. The EA is the Ministry of Public Works and Transport (MPWT). The IAs are the Department of Public Works and Transport (PDPWTs) of Kampot and Sihanoukville provinces.

19. Several financial management issues were identified in the Country Partnership Strategy for Cambodia for 2014 to 2018.⁴ In public financial management, the issues include: continuation of excessive centralization of budget management will maintain low accountability for public expenditure and service delivery and continue to negatively affect the management of development partner funded projects; uncertainty, delays and inadequate delegation of functions to sub-national administration (SNA) will postpone the build-up of capacity in the SNA (districts and municipalities); internal audit and internal controls are improving, but remain weak and may increase fiduciary risks and leads to less effective and transparent business processes

⁴ ADB. 2014. *Cambodia: Country Partnership Strategy (2014-2018)*. Manila.

and practices, including for procurement; external audit capacity is improving, but remains weak with the National Audit Authority's capacity gradually strengthened, but still inadequate to provide effective oversight of public expenditures.⁵

20. In addition, in 2013, a joint country portfolio performance review identified the following key project implementation issues: (i) weak implementing capacity of executing agencies, particularly in project management, procurement, and financial management; (ii) lack of delegation of authority to project management units; (iii) project implementation start-up delays; and (iv) poor project preparation (footnote 4).

Project Financial Management System

21. The EA and IAs have implemented projects funded by bilateral and multilateral funding agencies. The PDPWT have adequate finance and accounting permanent staff that can be nominated to the PIU. Training on loan disbursement and accounting will be provided by ADB in coordination with Cambodia Resident Mission.

22. **Strength and Weaknesses.** MPWT and PDPWT of Sihanoukville have already implemented ADB funded projects in past which will be an asset during implementation of this project. The assessment recommended to address: (i) minimal involvement of the city governments in assisting provincial governments manage and maintain public infrastructure due to limited responsibilities and resources; (ii) unrealistic projections for budget allocation on the revenue and expenditure sides⁶; and (iii) lack of internal audit in PDPWT which could help in the early detection of erroneous transaction and procedures in financial management and reporting.

Table 10: Risk Assessment and Management Plan

Risk Description	Impact	Likelihood	Risk Assessment	Mitigation Measures / Risk Management Plan
Inherent Risk				
The Standard Operating Procedure (SOP) for externally financed projects in Cambodia (May 2012) stipulates that assets must be subject to careful asset management, but in practice there is no regular monitoring/ inventory done. There is a risk of loss of asset not maintained properly.	High	Likely	High	Update Fixed Asset Book every year during and after project implementation. Provide capacity building assistance to government staff on fixed asset management including linkage to asset preventive maintenance activities.
Level of tariffs is not linked to O&M fund requirement of the facilities, resulting to higher subsidy from the government's regular budget. With limited budget, proper operation and maintenance of facilities cannot be implemented.	High	Likely	High	Update tariff computation on annual basis. Monitor implementation of proposed tariff. Require annual budget commitment from local government to cover funding gap.
Weak internal financial control	High	Likely	High	Strengthen the capacity of

⁵ Source: Country Partnership Strategy: Cambodia 2014-2018. November 2014.

⁶ Projected budget is very low from the actual financial capacity of the provincial government.

Risk Description	Impact	Likelihood	Risk Assessment	Mitigation Measures / Risk Management Plan
which can assist in early detection of erroneous project transactions / procedures during implementation.				executing and implementing agencies through training on the government's standard operating procedures for externally funded projects and monitoring and evaluation.
Unrealistic projections for budget allocation of revenue and expenditure which could result to poorly prioritized sector expenditure allocations.	High	Likely	High	Strengthen the capacity of the local governments on budget preparation and management, and expenditure prioritization.
Overall Inherent Risk			High	
Control Risk				
Lack of knowledge /training in ADB procurement, disbursement and reporting standards may result to delays in project start up.	High	Unlikely	Substantial	Key EA and PMU staff will attend training on procurement, disbursement and financial reporting.
Overall Control Risk			Substantial	
Overall Risk			High	

Proposed Time-Bound Action Plan

23. The proposed time-bound action plan is as follows.

Table 11: Time-Bound Action Plan

Weakness	Mitigation Action	Responsibility	Timeframe
The Standard Operating Procedure (SOP) for externally financed projects in Cambodia (May 2012) stipulates that assets must be subject to careful asset management, but in practice there is no regular monitoring/ inventory done. There is a risk of loss of asset not maintained properly.	Update fixed asset list every year during and after project implementation. Provide capacity building assistance to government staff on fixed asset management including linkage to asset preventive maintenance activities.	Provincial Government / PDPWT/ Executing Agency (EA)/ Implementing Agency (IA)	Within 3 months after the end of each fiscal year.
Level of tariffs is not linked to O&M fund requirement of the facilities, resulting to higher subsidy from the government's regular budget. With limited budget, proper operation and maintenance of facilities cannot be implemented.	Update tariff computation after project completion on annual basis. Monitor implementation of proposed tariff as stipulated in the feasibility study report. Require annual budget commitment from local government to cover funding gap. Ring fence revenue generating activities,	EA/ IA/ Project Management and Implementation Support Consultants (PMIS); Provincial Government / PDPWT	Within 3 months after project completion.

Weakness	Mitigation Action	Responsibility	Timeframe
Weak internal financial control which can assist in early detection of erroneous project transactions / procedures during implementation.	Strengthen the capacity of executing and implementing agencies through training on the government's standard operating procedures for externally funded projects and monitoring and evaluation.	EA / IA / PMIS; Provincial Government / PDPWT	During first year of project implementation (2016).
Unrealistic projections for budget allocation on the revenue and expenditure side which could result to poorly prioritized sector expenditure allocations.	Strengthen the capacity of the local governments on budget preparation and expenditure prioritization.	EA / IA / PMIS; Provincial Government / PDPWT	During first year of project implementation (2016).
Lack of knowledge /training in ADB procurement, disbursement and reporting standards may result to delays in project start up.	Key EA and PMU staff will attend ADB training on procurement, disbursement and financial reporting.	EA / IA / PMIS / ADB	After loan signing.

24. The identified risks will be minimized through capacity development measures including, for example: (i) local government to update the Fixed Assets Book annually to reflect information on the physical count and condition of each asset and the data linked to asset preventive maintenance activities; and (ii) updating of financial projections on annual basis including the required tariff to ensure financial sustainability of completed infrastructure. The loan agreement will contain covenants obligating the Borrower to ensure provincial governments to implement the proposed tariff and allocate in annual budget any funding gap resulting from tariffs not covering operation and maintenance cost.

B. Disbursement

25. The loan proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time), and detailed arrangements agreed upon between the Government and ADB.⁷ Online training for project staff on disbursement policies and procedures is available at: http://wpqr4.adb.org/disbursement_elearning. Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

26. The government will, immediately upon effectiveness, establish a pass-through account with the Ministry of Economy and Finance (MEF) in US Dollars for the ADB Loan. The PMU will establish an imprest account in US Dollars for the ADB loan at a bank designated by MEF; and will be responsible for establishing, managing, replenishing, and liquidating this account. The total outstanding advance to the imprest account will not at any time exceed the estimated ADB-financed expenditures to be paid from the account for the next 6 months.

27. The PMU will be responsible for: (i) preparing disbursement projections; (ii) requesting budgetary allocations for counterpart funds; (iii) collecting supporting documents; and (iv) preparing and sending withdrawal applications to the MEF for onward submission to ADB. The PMU will also be responsible for checking and signing off on all disbursement documents prior to submission to MEF. To meet administration and recurrent costs at the provincial level, the PIUs may set up project sub-accounts for the ADB loan with a commercial bank designated by

⁷ ADB. 2015. *Loan Disbursement Handbook*. Manila.

MEF. Liquidation of the sub-accounts will be subject to submission of full documentation to the PMU. The MEF's pass through account, project imprest account and project sub-accounts will be established and maintained for the loan proceeds only and managed, replenished and liquidated in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time), and other detailed arrangements agreed upon between the Borrower and ADB. The imprest and sub-accounts are to be used exclusively for ADB's share of eligible expenditures. The EA who established the imprest account in its name is accountable and responsible for proper use of advances to the project imprest account, including advances to the project sub-accounts.

28. The request for initial and additional advances to the imprest account should be accompanied by an Estimate of Expenditure Sheet setting out the estimated expenditures for the forthcoming six months of project implementation. For every liquidation and replenishment request of the imprest account, the borrower will furnish to ADB (a) Statement of Account (Bank Statement) where the imprest account is maintained, and (b) the Imprest Account Reconciliation Statement reconciling the above mentioned bank statement against the EA's records.⁸

29. The Statement of Expenditures (SOE) procedures may be used for reimbursement, liquidation and replenishment of the imprest account, for eligible expenditures not exceeding equivalent of \$100,000 per individual payment. SOE records should be maintained and made readily available for review by ADB's disbursement and review missions or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.⁹ Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB. If the PMU can demonstrate that it has adequate capacity to administer the procedure at the time of implementation, ADB will consider removing the SOE ceiling.

30. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is \$100,000 equivalent. Individual payments below this amount should be paid (i) by the EA/IA and subsequently claimed from ADB through reimbursement, or (ii) through the imprest/sub-account, unless otherwise accepted by ADB.

31. The PMU will be responsible for: (i) preparing disbursement projections; (ii) requesting budgetary allocations for counterpart funds; (iii) collecting supporting documents; and (iv) preparing and sending withdrawal applications to the MEF for onward submission to ADB. The PMU will also be responsible for checking and signing off on all disbursement documents prior to submission to MEF.

32. Contractual staff salaries to be covered under incremental administration costs must be claimed through reimbursements.

33. Prior to a disbursement of the Loan, the Borrower shall cause, directly or indirectly through the Project Executing Agency or the relevant Project Implementing Agency, the PMU to

⁸ Follow the format provided in Appendix 10C of the *Loan Disbursement Handbook*.

⁹ Checklist for SOE procedures and formats are available at: Appendix 9B of the *Loan Disbursement Handbook* (2015).

employ the necessary financial management and accounting staff to administer, implement, coordinate and undertake all financial management and accounting activities required under the PAM or as otherwise required by or agreed to with ADB.

C. Accounting

34. The MPWT will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following cash-based accounting system following the Government's financial regulations. The MPWT 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. Non-cash transactions, such as taxes and duties and other government in-kind contribution, need to be disclosed in the notes to the financial statements.

D. Auditing and Public Disclosure

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

36. 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 and grant 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; (iv) use of the imprest fund procedure; and (v) the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under SOE procedures, and proper use of the SOE and imprest procedures in accordance with ADB's Loan Disbursement Handbook and the project documents.

37. 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.

38. The Government, MPWT, Kampot PDPWT and Sihanoukville PDPWT 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.¹⁰ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or

¹⁰ 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.

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.

39. 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)¹¹. 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.

¹¹ ADB. 2011. *2011 Public Communications Policy (PCP) of the Asian Development Bank: Disclosure and Exchange of Information*. Manila. Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Actions

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

41. To accelerate project implementation, advance actions for consulting services will be used. ADB will recruit a technical assistance individual start-up consultant to assist the EA in recruiting the Project Implementation Support and Capacity Building consultant. Prior to loan approval, the EA will launch the recruitment process for the Project Implementation Support and Capacity Building consultant.

B. Procurement of Goods, Works and Consulting Services

42. All procurement of goods and works will be in accordance with the Government Procurement Manual (May 2012, as amended from time to time) and ADB's Procurement Guidelines (2015, as amended from time to time). Except as ADB may otherwise agree, the following thresholds in the table will apply to procurement of goods and works.

43. Civil works will be procured through international competitive bidding (ICB) procedures for packages exceeding \$3,000,000 equivalent, and through national competitive bidding (NCB) procedures acceptable to ADB for packages up to and including \$3,000,000 equivalent. Goods will be procured through ICB procedures for packages exceeding \$1,000,000 equivalent, and through NCB procedures acceptable to ADB for packages up to and including \$1,000,000 equivalent. For packages of \$100,000 equivalent or less, shopping may be used.

44. Within one year after the date of loan effectiveness, the EA will submit a revised procurement plan to ADB for approval that captures all ongoing as well as proposed procurement. The plan will be updated annually or as required after every loan review mission or after award of each major ICB contract.

45. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).¹² An estimated 328 person-months of consulting of which 93 person-months are international and around 235 person-months are for national consulting. This is required to: (i) provide technical support to ensure that project implementation will fully comply with ADB policy and operational requirements in terms of oversight to local detailed design, procurement, oversight to local construction supervision consultants, financial management, and social and environmental safeguards; (ii) design and conduct capacity strengthening and training programs in the areas of public infrastructure planning and implementation, financial management, and environmental management; (iii) help local communities increase awareness of public health, sanitation, environmental management, and develop income generation activities; (iv) provide support to waste water treatment plant operations and management (O&M) in Kampot and for landfill management O&M in both towns; and (v) assist the PIUs in overall project management and monitoring and regular reporting to the EA and the ADB. Consulting firms will be engaged using the quality-and-cost-based selection (QCBS) method with a quality:cost ratio of 80:20.

¹² Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

C. Procurement Plan

46. A procurement plan indicating threshold and review procedures, goods, works and consulting service contract packages and National Competitive Bidding Annex is in Appendix 1. The procurement plan covers the first 18 months of procurement. The procurement plan shall be updated annually. It may be revised, as required following a project review mission. In case, procurement arrangements need to be changed during project implementation, the EA and IAs shall prepare a letter justifying the change with the updated procurement plan and submit the documents for ADB's approval. The change in procurement arrangements shall be done in consultation with ADB. ADB will be responsible for posting the initial procurement plan and subsequent updates on ADB website.

47. A procurement capacity assessment of the EA and IAs has been completed. Based on the results, there is limited capacity to review bidding documents (BDs)/Request for Proposals (RFPs), recommendation for award of contract. ADB will include PMU staff in the procurement training to enhance capacity to review BDs, and contracts. The capacity building component of the Loan will also include this activity for the PMU and PIUs. The supporting procurement capacity assessment is attached as Appendix 5.

D. Consultants Terms of Reference

48. The detailed Terms of Reference for all consulting services are detailed in Appendix 2.

VII. SAFEGUARDS

49. The relevant safeguard plans include the: (i) Environmental Management Plans (EMP); and (ii) resettlement plans (RP).

A. Environmental Safeguards

50. The project is classified as Category B for environment in accordance with the ADB's Safeguard Policy Statement (2009).¹³ One Initial Environmental Examination (IEE) report has been prepared for Cambodia, as well as two (2) Environmental Management Plan (EMPs), one each for Kampot and Sihanoukville.

51. The proposed subprojects are not expected to cause irreversible adverse environment impacts. Mitigation measures for identified impacts related to siting, design, construction, and operation have been incorporated in the environment management plans (EMPs). In addition, potential impacts of climate change and natural hazards (e.g., flooding, earthquake) on the project are recommended for integration into the design/engineering stage as part of the IEE assessment whenever feasible/practical and appropriate. An initial estimate of the costs associated with climate change measures is presented in Appendix 7.

52. At the detailed design stage, the IEEs/EMPs will be updated, and finalized to confirm that the proposed mitigating measures are adequate to ensure that environmental receptors are not adversely affected. The final estimated costs for implementing the EMPs will be integrated into the project costs. Likewise, further consultation is required to address the concerns raised during previous consultations to ensure that all public concerns are updated and publicly acknowledged and incorporated into detailed designs and updated EMP.

53. The final EMPs, cleared by ADB, will form part of the contract bidding documents to ensure mitigation of identified environment impacts during construction. Proof of compliance with applicable national (government) environmental requirements/clearances/approval (e.g., Environmental Compliance Certificate) shall be submitted by EA/IA before award of contract. The successful contractor shall be required to prepare and implement a Construction Environmental Management Plan (CEMP) based the EMP, and include this in his bid. The project cost shall include the budget necessary for implementation of the CEMP. This shall be included in the works contract as competitive cost items.

54. Finally, the grievance redress mechanism (to cover all safeguards) shall be established prior to any field activities that may be conducted.

B. Social Safeguards (Involuntary Resettlement and Indigenous Peoples)

55. The project is classified as category B for involuntary resettlement and category C for indigenous peoples in accordance with the ADB's Safeguard Policy Statement (2009). One RP has been prepared for Kampot.

56. The project will result in physical, social and economic displacement resulting from acquisition of land and buildings to secure implementation of the sub-projects in both towns. The nature and scale of displacement is specified in the RP for Kampot where there are a number of safeguards issues and activities, which guide implementation of the subproject components.

¹³ ADB. 2009. *Safeguard Policy Statement*. Manila.

57. One RP has been prepared and integrated into project costs. The draft updated RP at the detailed design stage will be cleared by ADB. The RP includes a review of local laws and regulations, gap analysis and proposed gap-filling measures. The resettlement policy proposed in the project is consistent with the provisions of the ADB's SPS and takes into consideration relevant provisions of local laws.

58. The costs include (i) compensation cost, (ii) administration cost, including costs for consultation and grievance redress mechanism; (iii) monitoring cost, and (iv) contingency. Project information has been disclosed to affected persons through the project preparation during consultations and surveys and a project information booklet will be distributed to all the affected people in by project approval. It will be updated and distributed during DMS (Detailed Measurement Survey). All land acquisition and resettlement costs will be financed from the counterpart funds.

59. The PMU, in close collaboration with PIU, will serve as the Project's internal monitor. The PMU is responsible for submitting project quarterly progress reports that also include updates on the progress of resettlement to the IRC and the ADB. MPWT will not allow construction activities in a specific section to commence until the APs have been provided compensation and/or assistance in accordance with the project resettlement plan and after ensuring that the specific section of the area is free of all obstructions.

60. An outline of the RP Monitoring Report is presented in Appendix 3.

VIII. THE GENDER AND SOCIAL DIMENSIONS

61. A social, poverty and gender analysis was undertaken in accordance with the Asian Development Bank guidelines. Information collected contributed to the project design, ensuring social inclusion of the poor and economically vulnerable as well as supporting the need for measures to mitigate the impacts of climate change on the urban and peri-urban populations. A Gender Action Plan (GAP), Stakeholder Participation Plan (PP) and Stakeholder Communication Strategy (SCS) were prepared, and input was provided into the Summary Poverty Reduction and Social Strategy (SPRSS).

62. From the analysis conducted, the project is classified as General Intervention. The poverty and social assessment identified the following key issues: (i) the need for environmentally sustainable urban infrastructure that can provide a basis for economic growth in the two towns; (ii) inadequate disposal of residential wastewater; (iii) inadequate solid waste collection; and (iv) a high proportion at 20-40% of female-headed households, of which widowers 18-38%. Poor and vulnerable households experience insufficient and/or lack basic environmental sanitation services, exacerbated by exposure to seasonal flooding. The project will result in improved climate resilient infrastructure and inclusive green growth. The combined population of Kampot and Sihanoukville, a significant portion of whom will be the primary beneficiaries from the project, is 112,142 people (23,773 households) including 2,000 poor households, and 9,700 female headed households. Significant proportions of the urban population in Kampot will be served by new and improved wastewater collection and treatment facilities. In Kampot, 13,000 people (2,700 households) will benefit from new a new wastewater collection system. New or improved solid waste collection will be provided to 8,100 households in the two towns - In Kampot 3,330 households (16,538 people) and in Sihanoukville 4,770 households (21,780 people). Flood risks will be reduced for 3,765 households (17,178 people) in the two towns. The key poverty reduction and socially inclusive design features of the project include: (i) household connections for wastewater provided free of charge and affordable tariffs for poor households and (ii) access to vocational skills development for poor young women/employment in project construction for unskilled laborers.

63. This project is categorized as Effective Gender Mainstreaming. The gender assessment identified the following issues: (i) a high proportion of female-headed households in Kampot at 38% / 29% (survey data/official data), of which 38% are widows; and (ii) female-headed households in Sihanoukville at 42% / 19% (survey data/official data), of which 18% are widows. The highest education attainment in female-headed households is significantly more often primary school or no formal education. A significantly high proportion (45%) of widowers are self-employed as traders, but overall their incomes are not the lowest. 40% of widowers and singles are poor by per capita monthly expenditure according to survey data. Female representation in decision-making positions in the local government administrations is at 13% in the municipal councils. Overall, in Sihanoukville, women have around 33% of managerial positions in partner institutions. Similar data in Kampot was not made available to the consultant team.

64. **GAP Implementation Arrangements:** MPWT, through its Project Management Unit (PMU) and the Project Implementation Units (PIUs) at the provincial level in Kampot and Sihanoukville, will be responsible for GAP implementation, monitoring and reporting. These specialists together with other consultants, will support: (i) technical guidance to community out-reach and vocational training activities; (ii) IEC awareness and advocacy campaigns; (iii) development of guidelines for improving affordability to support access to wastewater and solid waste improvements for poor and vulnerable households; (iv) the establishment of sex-disaggregated indicators for project performance monitoring and

evaluation, including PPMIS; and (v) ensure institutional gender targets are met through support of targeted capacity development training to females in stakeholder organizations. Other key supporting experts will include international and national community development specialists and international and national capacity building and training specialists. The PMUs will incorporate GAP monitoring in their quarterly progress reports, using the ADB GAP Progress Report template to Government and the ADB.

65. **GAP Budget:** The GAP budget is \$150,000 for the two towns. Of this, \$125,000 is allocated for two Community Development Specialists (one international and one national) that are part of the PISCB consultancy. The consultancy also includes additional specialists (social development and gender, and capacity building and training) who would support GAP implementation. The remaining budget is part of the incremental administration budget financed by the project and administered by government, and focuses on information campaigns and community outreach. GAP related capacity building activities are intended to (i) help ensure that project implementation will fully comply with ADB's policies and operational requirements; (ii) improve urban planning and management, climate resilience, operation and maintenance, and financial management and cost recovery; and (iii) help local communities increase awareness of public health and environmental management.

Gender Action Plan

Action	Indicators and Targets	Responsible
Outcome: Improved urban infrastructure and upgrading in the two participating towns		
Adequate resources are allocated to ensure the GAP is implemented in accordance with its terms for each subproject	8,783 women in Kampot and 39,554 women in Sihanoukville will benefit from improved urban infrastructure.	
Output 1. Strategic Local Economic Development Strategies (SLEDs)		
Social and Gender specialist inputs to the development of SLEDs.	The SLEDs include consideration of poverty, social and gender issues with provision of specific strategic measures.	Steering Committees
Output 2. Priority urban infrastructure investments and urban upgrading projects are implemented		
Urban and environmental infrastructure in both towns is strengthened.	By 2020 - Number of residents and businesses serviced by new and improved wastewater collection and treatment facilities in Kampot is 2,700 households/13,000 people/6,630 women. Reduced flooding risks provided for 3,820 HHs/17,178 people/app. 8,760 women (2015 baseline: 0).	PMU, PIUs
Solid waste management in both towns strengthened.	New or improved solid waste collection will be provided to 8,100 households in the two towns: in Kampot 3,300 households/16,538 people/8,477 women; in Sihanoukville 4,770 households/21,780 people/11,093 women. 100% of informal waste pickers near existing dumpsites (2015 baseline: 160 persons) ensured continued access to the landfill and alternative livelihood skills training.	PMU, PIUs
Output 3. Institutional capacities for managing public investments		

Action	Indicators and Targets	Responsible
strengthened.		
Targets for female representation in sector/decision making/training	PIUs shall target recruitment of 30% female staff, including 20% in decision-making positions.	PMU, PIUs
Capacity building of women and gender sensitivity training /vocational training for poor women.	At least 20 persons (30% female) trained in key project management areas. At least 100 persons (50% female) provided gender sensitization training for community leaders, government officers, and consultants involved in project implementation and delivery. PMU and DoWA will organize, through an NGO vocational training in livelihood and employment opportunities related to the project, e.g. tourism skills development, for at least 20 poor young women in Kampot, and offer the same for waste pickers at dumpsite in Sihanoukville.	PMU/DoWA
International and national Social/gender/ community development and livelihoods specialist. Designated PMU/PIU counterpart Social and Gender staff.	The specialists will be part of the Project Implementation Support and Capacity Building (PISCB) consultant team and assist the PMU/PIUs, working with designated social/gender staff. They will provide technical leadership in preparation of community awareness campaigns, GAP implementation and monitoring.	PMU/PISCB
Employment creation	30% of unskilled laborers employed in sub-project construction are women. 30% of staff employed in O&M are women. 75% of all unskilled laborers/staff are of local origin.	PMU, PIUs
Gender monitoring	PPMIS will include sex-disaggregated data and gender-sensitive monitoring indicators.	PMU
Output 4. Community awareness on project activities and environmental sustainability improved		
Community awareness and information dissemination campaigns strengthen maximizes people's benefits from provided urban infrastructure.	PDWA and DoWA (and other selected NGOs/CSOs) undertake 10 community awareness and dissemination campaigns covering environmental sustainability and conservation themes with 50% male and 50% female participation rate in each town. Campaigns will promote 'Clean City' concept and disseminate information about positive impacts of solid waste collection at community level. This includes public forums at community level on importance of men and women participation in cleaning and improving hygiene in the city and cleaning city daily "Your action to make city clean".	PMU/DoWA

DoWA: Department of Women's Affairs; GAP = Gender Action Plan; O&M = Operations and Maintenance; PISCB = Project Implementation Support and Capacity Building consultant; PIU = Project Implementation Unit; PMU = Project Management Unit; SLEDP = Strategic Local Economic Development Strategy; PPMIS = Performance Monitoring and Information System.

IX. MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design And Monitoring Framework

Impacts the Project is Aligned with: Promoting growth that is sustainable, inclusive, equitable, and resilient; creating employment, including through improving competitiveness; promoting equity through reducing poverty; improving environmental sustainability; and promoting efficiency through further strengthening institutional capacity and governance in the two towns of Kampot and Sihanoukville (National Strategic Development Plan, 2014–2018) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Improved urban services in the two participating towns	By 2021: a. 2,700 households and businesses serviced by new and improved wastewater collection and treatment facilities in Kampot b. 8,100 households serviced by improved solid-waste collection in the two towns c. 3,765 households with reduced flood risks in both towns (2015 baselines for a.–c.: 0)	a.–c. Reports of provincial department of public works and transportation, project progress reports, end of project survey	Lack of capacity for project implementation and management. Lack of financial sustainability due to noncost recovery tariffs.
Outputs 1. The SLEDPs developed	By 2016: 1a. SLEDPs endorsed by the participating provinces and towns (2015 baseline: final draft SLEDPs completed)	1a. Letter of endorsement from the executing agency	Delay in project start-up and implementation. Irregularities in procurement and financial management. Potential presence of unexploded ordnance.
2. Priority urban infrastructure investments implemented	By 2020: 2a. At least 30% of unskilled laborers employed in subproject construction are women. At least 30% of staff employed in operation and maintenance are women. At least 75% of all unskilled laborers or staff are of local origin (2015 baseline: N/A) 2b. Wastewater treatment capacity of 4,500 cubic meters/day added in Kampot through construction of one new wastewater treatment plant (2015 baseline: 0) 2c. 15.6 km of drainage trunk mains and 11.4 km of drainage collection mains constructed in Kampot (2015 baseline: 0) 2d. 2,700 new connections in Kampot for wastewater	2a. Contractor's records and progress monitoring reports 2b.–i. Construction records, subproject completion reports, end of project survey	Potential archeological finds could cause delays.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	provided with free connection costs (2015 baseline: 0)		
	<p>2e. 7.9 km of separated primary storm water drains are constructed or upgraded in Kampot and 64.1 km in Sihanoukville. (2015 baseline: 0)</p> <p>2f. In Kampot, a new managed landfill is made operational (2015 baseline: N/A).</p> <p>2g. In Sihanoukville, the existing dump site is upgraded with improved operations (2015 baseline: N/A).</p> <p>2h. 8,100 households provided with new or improved solid-waste management collection in Kampot (3,330 households) and Sihanoukville (4,770 households) (2015 baseline: N/A)</p> <p>2i. 100% of informal waste pickers near existing dump sites (2015 baseline: 160 persons) ensured continued access to the landfill and alternative livelihood skills training (2015 baseline: N/A)</p>		
3. Institutional capacities for managing public investments strengthened	<p>By 2020:</p> <p>3a. At least 20 persons (30% female) trained in key project management areas (2015 baseline: N/A)</p> <p>3b. At least 100 persons (50% female) trained on gender sensitization training for community leaders, government officers, and consultants involved in project implementation and delivery (2015 baseline: N/A)</p> <p>3c. Project implementation units shall target recruitment of 30% female staff, including 20% in decision-making positions (2015 baselines: N/A).</p>	<p>3a-b. Project progress and completion reports, attendance lists, training reports</p> <p>3c. Project management unit and government employment records</p>	
4. Community awareness on project activities and environmental sustainability improved	<p>By 2020:</p> <p>4a. At least 10 community awareness and dissemination campaigns covering</p>	4a. Project progress and completion reports, attendance lists,	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	environmental sustainability and conservation themes conducted with equal participation by men and women (2015 baseline: N/A)	training reports	
Key Activities with Milestones 1. The SLEDPs developed 1.1 Participating provinces and towns endorse SLEDPs (Q2 2016) 2. Priority urban infrastructure investments implemented 2.1 Complete detailed engineering designs (Q4 2016) 2.2 Complete land acquisition and resettlement (Q4 2016) 2.3 Bid civil works contracts (Q4 2017) 2.4 Sign civil works contracts (Q4 2017) 2.5 Complete civil works (Q4 2020) 2.6 Conduct environmental safeguards monitoring and reporting (Q1 2016–Q4 2020) 2.7 Conduct social safeguards monitoring and reporting (Q1 2016–Q4 2017) 3. Institutional capacities for managing public investments strengthened 3.1 Formulate capacity building program (Q4 2016) 3.2 Complete key trainings and capacity building activities (Q4 2018) 4. Community awareness on project activities and environmental sustainability improved 4.1 Conclude community awareness and dissemination campaigns (Q4 2020)			
Inputs Asian Development Bank: \$33,000,000 (loan) Government of Cambodia: \$5,100,000			
Assumptions for Partner Financing Not applicable			

km = kilometer, N/A = not applicable, Q = quarter, SLEDP = strategic economic development plan.

^a Government of Cambodia, Ministry of Planning. 2014. *National Strategic Development Plan, 2014–2018*. Phnom Penh

Source: Asian Development Bank.

B. Monitoring

66. **Project performance monitoring.** The PMU/PIUs will be responsible for all aspects of monitoring and evaluation, including: (i) performance testing against project milestones; (ii) safeguards monitoring; and (iii) financial commitments. Reports on project achievements will be provided quarterly and summarized annually.

67. Within three months of loan effectiveness the consultants will have presented and the EA approved a PPMS using targets, indicators, assumptions and risks from the DMF. The PIUs will conduct regular monitoring, using the same indicators and submit reports on their findings to the EA and ADB. Results of a comprehensive completion survey will be included in the project completion report.

68. **Compliance monitoring.** The status of compliance with loan covenants, covering policy, legal, financial/economic, environmental and others will be reviewed at each ADB review mission. Any non-compliance issues will be specified in the quarterly progress reports together with remedial actions.

69. **Safeguards monitoring.** Status of the implementation of the IEE/EMP and RP will be discussed at each ADB review mission and integrated into semi-annual reports for IEE/EMP and RP implementation using the *integrated safeguards monitoring format*. These will be prepared by the respective EAs with assistance from safeguard specialists of project consultants and safeguards officer in PMU, based on the information provided by IAs, contractors and community mobilizers, where relevant. The EAs will submit semi-annual reports to ADB, within 30 days of the end of reporting period, for review and disclosure. The safeguards monitoring team structure and responsibilities are summarized in table below.

Task Team	Responsibility
Project Director	Oversee safeguard implementation for the Project through PMU, PIC and consultants. Submit semi-annual safeguard monitoring reports to ADB.
PMU Safeguards Officer/s	Analyze the consolidated monitoring data on safeguards and report the results and corrective actions to the Project Director.
IAs/PIU Safeguards officer/s	Oversee field work of contractors and consultants. Review monthly environmental reports submitted by consultants and contractors, and consolidate and send to PMU.
PISCB Environmental Safeguards Specialist Social Safeguards Specialist	Will assist the EA/PMU and IA/PIUs in the overall safeguards implementation and monitoring.

70. **Safeguards monitoring – resettlement.** The implementation and effectiveness of the Resettlement Plan (RP) will be monitored internally and externally. The PIUs are directly responsible for internal monitoring of RP implementation. In particular, the PIUs with assistance from the consultants will supervise and manage monitoring of resettlement activities and implementation arrangements.

71. The PMU/PIU through the EA will provide quarterly reports to the ADB. They will ensure the EA that the consultants reports include progress and status reports, information on location and numbers of people affected, compensation amounts paid by item, and assistance provided

to displaced people. The ADB will also monitor these activities in its regular supervision missions during the period of project implementation.

72. The objectives of the monitoring program are to (i) ensure that the standard of living of affected persons are restored or improved, (ii) monitor whether the overall project and resettlement objectives are being met, (iii) assess if rehabilitation measures and compensation are sufficient, (iv) identify problems and risks, and (v) identify measures to mitigate problems. Consequently the range of activities and issues that need to be recorded and verified, include:

- Compensation, allowance payments and delivery of assistance measures;
- Re-establishment of displaced persons, settlements and livelihoods;
- Reaction of displaced persons, to resettlement and compensation packages; and
- Re-establishment of income levels.

1. The principal indicators for *internal monitoring* of resettlement activities include:

- Timely and complete disbursement of compensation to AHs according to the compensation policy agreed in the RP;
- Timely and complete delivery of relocation, income restoration and rehabilitation allowances and measures;
- Allocation of replacement land and development of individual and/or group resettlement sites and infrastructure;
- Public information dissemination and consultation procedures;
- Adherence to grievance procedures and identification of outstanding issues that require further attention and resolution;
- Attention given to grievance priorities of affected persons regarding the options offered; and he priorities of AHs regarding the options offered;
- Completion of resettlement activities required before the award of civil works contracts.

73. **Environmental monitoring** - The contractors will be required to prepare brief monthly reports on mitigation activities and environmental issues for the PIUs. The PMU/PIUs with the assistance from the consultants will be responsible to prepare and send quarterly reports on environmental issues and overall performance of the EMP to the IA/EA. The EA reviews and submits to the relevant DoEs. The DoEs at their own discretion will conduct their own inspection of EMP performance.

74. **Gender and social dimensions monitoring** – The monitoring of impacts on the social and gender aspects, including social and gender benefit monitoring, will be incorporated into the overall project monitoring and evaluation. Assisted by the social and gender specialists in the consultant team, the PMU/PIUs will be responsible for analyzing and consolidating the performance data. The social and gender monitoring will be designed to allow adequate flexibility to adopt remedial actions regarding the project design, schedules, activities, and development impact. Specific indicators in the SPRSS and the GAP will be further during the detailed design phase. Quarterly GAP monitoring will be carried out in accordance with ADB GAP Progress Report template.

C. Evaluation and Reporting

75. The government and the ADB reporting requirements will be harmonized by the consultants, who will produce detailed reporting formats within one month of project commencement.

76. The EA/IA will provide the ADB with quarterly progress reports in a format consistent with ADB's PPMS and consolidated annual reports including: (i) progress achieved by output as measured through the indicator's performance targets, (ii) key implementation issues and solutions; (iii) an updated procurement plan and (iv) an updated implementation plan for the following 12 months. Refer Appendix 4 for outline of the quarterly progress report.

77. The government and the ADB will jointly review the project at least twice a year. This includes: (i) the performance of the PMU/PIUs, consultants, and contractors; (ii) physical progress of each subproject component; (iii) effectiveness of capacity development and awareness building programs; (iv) compliance with loan covenants; and (v) assessment of project component sustainability in technical and financial terms.

78. In addition to the regular reviews, government and the ADB will undertake a comprehensive mid-term review after 2.5 years of project implementation to identify problems and constraints encountered and suggest measures to address them. Specific items to be reviewed will include (i) assessment of need to restructure or reformulate the project; (ii) update of the project's DMF; and (iii) examination of the need to extend the loan closing date.

79. The PIUs will submit financial reports in the prescribed format to the PMU/IAs on a monthly basis. Financial reports will be audited annually by qualified auditors approved by the ADB and government and the audit report, together with comments on any action being taken, shall be submitted to the ADB by the EA annually. These reports should be adequately reviewed.

80. The EA (and the PMU/PIUs) will also provide other reports as may be reasonably be requested by the ADB.

81. Within six months of physical completion of the project the EA will submit a project completion report to the ADB, detailing, amongst other items, (i) information on project completion; (ii) use of loan proceeds on project components, and (iii) the extent to which the project outcome has been accomplished.

D. Stakeholder Communication Strategy

82. The preparation and adoption of a stakeholder communication strategy (SCS) is required by the ADB to ensure inclusiveness, transparency, timeliness and the meaningful participation of stakeholders in the project.¹⁴ The SCS promotes select messages targeted at key stakeholders consistent with established communication objectives as to what perspectives; actions and changes should be promoted to ensure the project's success. The SCS ensures that vulnerable groups, such as the poor, elderly, indigenous and ethnic groups, and women, who risk being marginalized, are provided with opportunities.

83. Key stakeholders, who are essential to engage to achieve project objectives and lessen project specific risks and challenges, have been identified. Stakeholders include: (i) government agencies responsible for the design, management, and implementation of the project; (ii) companies who provide essential urban infrastructure services and facilities, principally for solid waste collection; (iii) urban residents and businesses; and (iv) local media. The strategy serves

to inform and support community development, enhance government agency capacity to manage project outcome, enhance the role of the private sector operators, enhance project benefits and mitigate negative impacts. The SCS has the following objectives:

- To enhance project benefits and mitigate potential negative impacts, through timely information on the subproject components specific to each town with a focus on their potential social and economic benefits, particularly for the poor, women, and indigenous people;
- To establish two-way information sharing/dialogue mechanisms with stakeholders;
- To raise public awareness on urban environmental sustainability through focusing upon solid waste management, wastewater management and the “greening industry”; and
- To promote gender equity generally and with a particular focus upon women empowerment and women’s access to economic opportunities;

84. The SCS activities will be organized in cooperation with the Department’s of Women’s Affairs (DoWA) as relevant. The responsibility for implementing the strategy will be shared between several stakeholders:

- The PIUs will have the overall responsibility for updating and implementing the SCS and will be in charge of the activities targeted at the private sector.
- The DOWAs will assist in dissemination of information and conduct awareness raising activities on the subjects listed in the GAP.
- The local media will produce IAE materials: print materials, newspapers, radio and TV programs, web, etc.

2. To fulfil the tasks, capacity building activities will be organized as follows:

- The PIU officers in charge of Communication: Training in communication skills.
- The DoWA: Training in communication skills of community women members.
- Key DoWA members: training in gender equity through applying a Training of Trainers approach (ToT).

3. These stakeholders will receive the support from the national and international Institutional Specialists and the national and international Social and Gender Specialists.

85. The resources required for the implementation will be covered by:

- The cost of the SCS activities included in the Capacity Building Program.
- The Consultancy cost for the National and International Institutional Specialists, and for the National and International Social and Gender Specialists.

86. The Stakeholder Communication Strategy is described in the table overleaf.

Stakeholder Communications Strategy							
Objective(s)	Key Risks/Challenges	Main Stakeholder	Key Messages	Means of Communication (Channels/Languages/Activities)	Timeline	Responsibility	Resources (Human, \$)
To disseminate timely information on the project components specific to each town (one-way)	<ul style="list-style-type: none"> ▪ Not enough attention paid to women and poor, marginalized people. ▪ Limited/lack of locally relevant IAE-material and TV 	<ul style="list-style-type: none"> ▪ PIU (PDPWT) ▪ Municipality Administration staff ▪ DOI ▪ Commune Council (CC) members ▪ PDLMUC ▪ PDWA ▪ PDLA ▪ PDT ▪ Local media ▪ Beneficiaries ▪ Local Private sector 	<ul style="list-style-type: none"> ▪ Project activities and schedule in each area ▪ Wastewater collection: monthly tariffs and terms, incl. special measures for poor households. ▪ Solid waste collection: tariffs and terms. 	<ul style="list-style-type: none"> ▪ Messages in Khmer tailored to the specificity of the local communities ▪ Print IAE materials: fact sheets, leaflets... ▪ Media outreach (radio, newspaper, TV, web, etc.) 	<ul style="list-style-type: none"> ▪ From outset and throughout subproject life in accordance with progress of activities ▪ Outset of subproject: <ul style="list-style-type: none"> ▪ + Creation of IAE materials on subproject components ▪ + Training of stakeholders ▪ End of subproject: <ul style="list-style-type: none"> ▪ Hand over of subproject achievements 	<ul style="list-style-type: none"> ▪ PIU ▪ Municipality Administration staff ▪ PDLMUC ▪ PDWA ▪ PDLA ▪ PDT 	<ul style="list-style-type: none"> ▪ Funds through the Capacity Building Program ▪ Consultancy cost for Nat./ Int. Institutional, and Social and Gender Specialists
To establish two-way information sharing/dialogue mechanisms with stakeholders	<ul style="list-style-type: none"> ▪ Traditional gender roles/ women's time constraints ▪ Poor and marginalized people have little voice ▪ Beneficiaries' priv. sector' lack motivation to participate 	<ul style="list-style-type: none"> ▪ PIU ▪ Municipality Administration staff ▪ CC members ▪ PDLMUC ▪ PDWA ▪ PDLA ▪ Beneficiaries ▪ Local Private sector 	<ul style="list-style-type: none"> ▪ Solid waste collection: neighbourhood options for collection method in presently un-serviced area, tariffs and terms. 	<ul style="list-style-type: none"> ▪ Meetings at project site ▪ Group discussions ▪ Community Workshops ▪ Local media ▪ Use of participatory methods and tools 	<ul style="list-style-type: none"> ▪ From outset and throughout subproject life in accordance with progress of activities ▪ End of subproject: <ul style="list-style-type: none"> ▪ Hand over of project achievements 	<ul style="list-style-type: none"> ▪ PIU ▪ Municipality Administration staff ▪ PDLMUC ▪ PDWA ▪ PDLA 	<ul style="list-style-type: none"> ▪ Funds through the Capacity Building Program ▪ Consultancy cost for Nat./ Int. Institutional, and Social and Gender Specialists
To raise public awareness on	<ul style="list-style-type: none"> ▪ Beneficiaries' and private 	<ul style="list-style-type: none"> ▪ PIU ▪ Municipality 	<ul style="list-style-type: none"> ▪ Public campaigns on 	<ul style="list-style-type: none"> ▪ Public meetings, fair, exhibitions 	<ul style="list-style-type: none"> ▪ From outset and throughout 	<ul style="list-style-type: none"> ▪ PIU ▪ Municipality 	<ul style="list-style-type: none"> ▪ Funds through the Capacity

Stakeholder Communications Strategy							
environmental sanitation	sector's lack of motivation to participate ▪ Limited/lack of locally relevant IAE-material and TV-radio programs	Administration staff ▪ CC members ▪ PDWA ▪ PDLA ▪ Local media ▪ Beneficiaries ▪ Local Private sector	environmental sanitation: with messages: 'Our city – Clean city – Green City'; 'Your waste, your responsibility'; 'Waste belongs in baskets'; 'Our river is not a sewer'; 'Keep our marshes clean'.	▪ Workshops, conferences ▪ Group discussions ▪ Separate meetings held for women ▪ Print IAE materials ▪ Radio and TV programs	subproject life in accordance with progress of activities ▪ Outset of subproject: ▪ + Creation of IAE materials ▪ + Training of stakeholders ▪ End of project: ▪ Hand over of project achievements	Administration staff ▪ PDWA ▪ PDLA	Building Program ▪ Consultancy cost for National and International Institutional Specialists, and for National and International Social and Gender Specialists
To promote activities supporting gender equity	▪ No interest from men due to traditional gender relationships ▪ Limited/lack of locally relevant IAE-material and TV-radio programs	▪ PIU ▪ Municipality Administration staff ▪ CC members ▪ PDWA ▪ PDLA ▪ Local media ▪ Beneficiaries ▪ Local Private sector	▪ Advocate gender equity in all aspects of components implementation: female staffing targets, project management training opportunities for women ▪ Information on opportunities for vocational and skills training for women	▪ Technical training, including training for government officials ▪ Vocational training for women ▪ Community workshops and seminars ▪ Sangkat meetings ▪ Village meetings ▪ Group discussions with men and women together ▪ Print IAE materials ▪ Radio and TV programs	▪ From outset of subproject and throughout subproject life in accordance with progress of activities ▪ Outset of subproject: ▪ + Creation of IAE materials on subproject components ▪ + Training of stakeholders	▪ PIU ▪ Municipality Administration staff ▪ PDWA ▪ PDLA	▪ Funds through the Capacity Building Program ▪ Consultancy cost for National and International Institutional Specialists, and for National and International Social and Gender Specialists

X. ANTICORRUPTION POLICY

87. The ADB reserves the right to investigate directly or through its agents any violations of the Anticorruption Policy relating to the Project.¹⁵ All contracts financed by ADB shall include provisions specifying the right of the ADB to audit and examine the records and accounts of the EA 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.¹⁶

88. To support these efforts, relevant provisions are included in the loan agreement or regulations and the bidding documents for the project. In particular, all contracts financed by ADB in connection with the project will include provisions specifying the right of the ADB to audit and examine the records and accounts of the EAs and all contractors, suppliers, consultants, and other service providers as they relate to the project.

89. Full information disclosure and participatory monitoring at both central and local levels are expected to be effective in reducing the risk of corruption and improving governance at central and local levels.

90. The EA/IA will prepare a grievance redress mechanism acceptable to the ADB and ensure that there is an appointed officer, with the requisite capacity in the PMU/PIUs to receive, resolve or act upon, both independently and expeditiously, complaints or grievances or reports from stakeholders on misuse of funds and other irregularities relating to the project, or the specific project components. Each PIU will inform stakeholders of their right to submit complaints or grievances relating to the project.

91. Project-specific measures to enhance governance and prevent corruption designed along with the stages of project implementation and the disbursement chain in mind, include (i) the requirement for the PMU/PIAs to follow government rules and procedures for all expense and revenue items including cash and the proper and accurate maintenance of financial records; and (ii) establishing a project website at EA/provincial level to provide transparency on project details including procurement.

XI. ACCOUNTABILITY MECHANISM

92. 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.¹⁷

¹⁵ ADB. 1998. *Anticorruption Policy*. Manila. Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹⁶ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

¹⁷ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

XII. RECORD OF PAM CHANGES

93. The PAM will be subject to change after ADB Board approval of the project and during the period of project implementation. All revisions and updates of the PAM made should be recorded in this section to provide a chronological history of the changes to the implementation arrangements recorded in PAM.

94. Key sections of the 1st draft of the PAM were discussed and agreed upon during the ADB Loan Fact Finding in May/June 2015.

95. This draft PAM was updated on September 22, 2015 during loan negotiations.

APPENDICES

1. PROCUREMENT PLAN
2. TERMS OF REFERENCE FOR CONSULTING SERVICES
3. OUTLINE OF RESETTLEMENT PLAN MONITORING REPORT
4. OUTLINE QUARTERLY PROGRESS REPORT FORMAT
5. PROCUREMENT CAPACITY AND RISK ASSESSMENT
6. INSTITUTIONAL ARRANGEMENTS FOR ENVIRONMENTAL SAFEGUARDS
7. SUMMARY OF CLIMATE CHANGE ASPECTS AND COSTS
8. LIST OF LINKED DOCUMENTS

APPENDIX 1 PROCUREMENT PLAN

Basic Data

Project Name: Second Greater Mekong Subregion Corridor Towns Development	
Project Number: 46443-002	Approval Number: {LXXXX-CAM}
Country: Cambodia	Executing Agency: Ministry of Public Works and Transport
Project Procurement Classification:	Implementing Agency: Department of Public Works and Transport
Procurement Risk: B	
Project Financing Amount: \$ 38.10 million ADB Financing: \$33.0 million Cofinancing (ADB Administered): Non-ADB Financing: \$5.10 million	Project Closing Date: 31 December 2020
Date of First Procurement Plan: [date of loan approval]	Date of this Procurement Plan: 23 September 2015

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

1. Procurement and Consulting Methods and Thresholds

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 (ICB) for Works	\$3,000,000 and above	Prior
International Competitive Bidding for Goods	\$1,000,000 and above	Prior
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works	First contract under Prior review, and subsequently Post review
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods	First contract under Prior review, and subsequently Post review
Shopping for Works	Below \$100,000	Post
Shopping for Goods	Below \$100,000	Post

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	Project Implementation Support, Detailed Design, Construction Supervision (Package 1) and Capacity Building (Package 2)

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

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 ⁵	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments ⁷
1	Kampot Wastewater Collection and Treatment, and Urban Drainage	9.65	ICB	Prior	1S1E	3/2016	No PQ; large works bidding documents
2	Solid Waste Management	2.47	NCB	Prior/Post		3/2016	SOP
3	<u>Sihanoukville</u> Solid Waste Management	9.68	ICB	Prior	1S1E	3/2016	No PQ; large works bidding documents
4	Solid Waste Management	2.59	NCB	Prior/Post		3/2016	SOP

1S1E = single stage-one envelope; ICB = international competitive bidding; NCB = national competitive bidding; PQ = prequalifications; SOP = Standard Operating Procedure

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

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
1	Project Implementation Support, Detailed Design, Construction Supervision (Package 1) and Capacity Building (Package 2)	3.58	QCBS	Prior	1/2016	FTP	quality cost ratio of 80:20

QCBS = quality-cost based selection; FTP = full technical proposal

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

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

Goods and Works								
Package Number⁵	General Description	Estimated Value	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments⁷
1	Equipment for solid waste management.	0.61	1	NCB	Prior/Post		1/2016	SOP

NCB = national competitive bidding; PQ = prequalifications; SOP = Standard Operating Procedure

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments

B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Comments

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments

C. List of Awarded and On-going, and Completed Contracts

The following tables list the awarded and on-going contracts, and completed contracts.

1. Awarded and On-going Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments

Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments

2. Completed Contracts

Goods and Works								
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

Consulting Services								
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

D. Non-ADB Financing

The following table lists goods, works and consulting services contracts over the life of the project, financed by Non-ADB sources.

Goods and Works				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Comments

Consulting Services				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Comments

National Competitive Bidding

A. Regulation and Reference Documents

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

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

B. Procurement Procedures

1. Application

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

2. Sanctioning

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

3. Rejection of all Bids and Rebidding

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

4. Advertising

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

C. Bidding Documents

5. Use of Bidding Documents

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

6. Bid Evaluation

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

9. A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

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

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

8. ADB Policy Clauses

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

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

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

APPENDIX 2

TERMS OF REFERENCE OF CONSULTING SERVICES

A. Introduction

1. The proposed Second Greater Mekong Subregion (GMS) Corridor Towns Development Project for Cambodia will improve urban services in the two towns of Kampot and Sihanoukville. The project will contribute to promoting growth that is sustainable, inclusive, equitable and resilient; creating employment, including through improving competitiveness; promoting equity through reducing poverty and improving environmental sustainability, and promoting efficiency through further strengthening institutional capacity and governance, in the two towns of Kampot and Sihanoukville, in line with the National Strategic Development Plan, 2014-2018. Outputs of the project are: (1.) Strategic Local Economic Development Plans (SLEDs); (2.) priority urban infrastructure investments implemented; (3.) institutional capacities for managing public investments strengthened; and (4.) community awareness on project activities and environmental sustainability improved.

2. The priority investments in each town are as follows: In Kampot, the project will finance wastewater collection and treatment; solid waste management and urban drainage. This will include (i) construction of wastewater treatment plant (design capacity: 4,500 m³/day) and sewer system (15.6 km trunk mains and 11.4 km collector mains), including about 2,700 free house connections, that will serve just over 11,000 people; (ii) construction of 7.9km of separated primary storm water drains in priority urban areas, including main market and surrounding area; and (iii) closure of current dump site and construction of a new managed landfill that will service about 3,330 households comprising about 16,000 people. In Sihanoukville the project will finance urban drainage and solid waste management. This will include (i) construction of 64.1 km of separated primary storm water drains in priority urban areas, including town center and surrounding areas; and (ii) rehabilitation of existing dump site to a managed landfill that will service about 4,770 households comprising some 21,950 people.

B. Scope of Work

3. These consulting services will include an estimated 328 person months of consulting services (93 person months international and 235 person months national) to (i) assist the PMU and PIUs with detailed design and tendering and supervision of civil works; (ii) assist with compliance with ADB's policies and operational requirements, including social and environmental safeguards monitoring and compliance; (iii) strengthen the institutional and operational capacity of provincial and district administrations, and (iv) provide project management and administrative support to the PMU and PIUs. The contract for this package will include provisional sums for project accounting, external resettlement monitoring and project audit requirements. Consulting services will consist of two packages: Project Management and Implementation Support, Detailed Design and Construction Supervision (Package 1) and Capacity Building (Package 2), as described below.

4. The consultants will be recruited in accordance with the ADB Guidelines on the Use of Consultants (2013, as amended from time to time) using the quality-and-cost-based selection (QCBS) method with a quality-cost ratio of 80:20. The firm shall be selected in the six months after project loan effectiveness and cover a period of five years from 2016 to 2020. All international consultants should have experience in developing countries. Experience in the Southeast Asia region, preferably Cambodia, will be considered. All national consultants should be fluent in English as well as the national language, and have experience in international

development projects. One consultant can cover more than one field of expertise, provided they satisfy all appropriate requirements for each position.

C. Project Management and Implementation Support, Detailed Design and Construction Supervision (Package 1)

1. The consultant will assist the EA, PMU and the PIUs with detailed design and tendering and construction supervision of civil works; compliance with ADB's policies and operational requirements (including social and environmental safeguards monitoring and compliance) and provide project management and administrative support to the PMU and PIUs. The detailed studies and designs will be based on the feasibility studies for the subprojects prepared during project preparation. The full list of sub-projects is provided below.

Table 2.1: List of Sub-Projects

Towns	List of Sub-Projects
Kampot	Wastewater Collection and Treatment
	Solid Waste Management
	Urban Drainage
Sihanoukville	Solid Waste Management
	Urban Drainage

2. Package 1 will require a range of specialists, working under the guidance of the Team Leader / Municipal Engineer, who will be assisted by two Deputy Team Leaders. It will consist of an estimated 234 person months of consulting services (65 person-months international consulting and 169 person-months national), as outlined below.

Table 2.2: Summary of Positions and Person-Months for Package 1 of this consultancy

	Position	Person Months		
	Project Management and Implementation Support, Detailed Design, Construction Supervision (Package 1)	International	National	Total
1	Team Leader / Municipal Engineer	20		20
2	Deputy Team Leader and Engineering and Procurement Specialist (x2)		38	38
3	Financial Management Specialist	6		6
4	Financial Management and Accounting Specialist		24	24
5	Project Performance Monitoring System Expert		14	14
6	Solid Waste Management Specialist	8		8
7	Solid Waste Management Specialist		12	12
8	Wastewater / Civil Engineer	8		8
9	Wastewater / Civil Engineer		12	12
10	Drainage Engineer		12	12
11	Construction Manager	12		12

12	Site Engineers (X2)		24	24
13	Environment Specialist	3		3
14	Environment Specialist		9	9
15	Resettlement Specialist	4		4
16	Resettlement Specialist		12	12
17	Social Development and Gender Specialist	4		4
18	Social Development and Gender Specialist		12	12
	Package 1 – Sub Total	65	169	234

Consulting services will also include individual consultant contracts/service contracts for external resettlement monitoring and/or project audit requirements, if needed.

1. Team Leader/Engineer (International, 20 person-months)

3. The International Team Leader and Municipal Engineer will manage and coordinate overall consulting services and provide project management support to the Executing Agency (EA), the PMU and the PIUs in each town. He/she will provide advice and guidance on sector coordination, policy coordination, policy implementation, sector regulations and other key project related issues to government, ADB and the consultant team members. The Team Leader should have at least a masters degree in civil/municipal engineering and/or a related subject, and be a chartered professional qualified engineer with broad experience in the implementation of environmental engineering projects in South-East Asia. He/she should also have at least 15 years experience of project design and implementation under donor-funded projects of which 5 should be as Team Leader. Duties of the Team Leader will include:

- Establish the consulting services offices (one in each town), and coordinate and manage the overall consulting services inputs;
- Develop strong working relationships with the EA, PMU/PIUs and the provincial and local authorities and ensure smooth coordination among them;
- Confirm commitments to project implementation from all stakeholders;
- Develop detailed time bound implementation schedules;
- Design the program for initial training in project management and oversight for PIUs and advise the national counterparts on its implementation in both towns;
- Advise on compliance with the relevant GoC and ADB policies and guidelines;
- Check as necessary detailed designs, cost estimates, bidding documents, and other contract documentation;
- Provide regular oversight to PIU staff and local consultants in the management of civil works and goods contracts and in the supervision of construction and subsequent commissioning of works;
- Provide oversight for overall sub-project financial management, accounting, and disbursements;
- Assist in arranging for smooth handover of the project facilities to the agencies responsible for O&M including advice and assistance on the preparation of all documentation necessary (e.g. as-built drawings) to close out contracts;

- Ensure proper and timely submission of regular progress reports to the EA and the ADB, particularly the progress against target indicators;
- Initiate actions in the event of any adverse variances against the original plan;
- Provide overall guidance to the implementation of training and community awareness programs;
- Assist in ensuring all resettlement and environmental impact mitigation measures are fully implemented, ensure associated reporting is completed, and minimize adverse environmental impacts during construction;
- Provide site management guidance to the PIUs and local consultants in relation to the construction;
- Assist in project planning, scheduling, and reporting of sub-project activities;
- Assist in ensuring the quality of all of the infrastructure components;
- Update the draft procurement plan from time to time (at least annually);
- Ongoing guidance to the EA, IA/PMU staff on ADB procurement guidelines;
- Assist in the detailed monitoring and evaluation surveys; and
- Provide overall support for selection of contractors and suppliers, contract management, and quality control and inspection.

2. Deputy Team Leader and Engineering and Procurement Specialists (2 National, 19 persons-months each)

4. The National Deputy Team Leaders should have a degree in civil/municipal engineering and at least 5 years experience in municipal and civil engineering and in contract procurement related matters. They should preferably have good experience in the design and implementation of donor funded projects, with particular reference to the ADB. They should work closely with and generally assist the Team Leader during the course of project implementation and be responsible for:

- Developing strong working relationships with the PIUs and the provincial and local authorities and ensure smooth coordination among them;
- Assisting the international counterpart in confirming commitments to project implementation from all stakeholders;
- Assisting the international counterpart in developing detailed time bound implementation schedules;
- Working closely with the international counterpart and managing the provision of initial training in project management and oversight for PMU/PIUs;
- Help ensure compliance with the relevant GoC and ADB policies and guidelines;
- Check as necessary detailed designs, cost estimates, bidding documents, and other contract documentation and advise the international counterpart regularly;
- Assist the international counterpart in providing regular oversight to PIU staff and local consultants in the management of civil works and goods contracts and in the supervision of construction and subsequent commissioning of works;

- Assist the international counterpart in providing oversight for overall sub-project financial management, accounting, and disbursements;
- Assist the international counterpart in arranging for smooth handover of the project facilities to the agencies responsible for O&M including advice and assistance on the preparation of all documentation necessary (e.g. as-built drawings) to close out contracts
- Ensure proper and timely submission of regular progress reports to the EA and the ADB, particularly the progress against target indicators;
- Help the international counterpart to initiate actions in the event of any adverse variances against the original plan;
- Assist the international counterpart to provide overall guidance for the implementation of training and community awareness programs and in a timely manner;
- Assist the international counterpart in ensuring all resettlement and environmental impact mitigation measures are fully implemented, ensure associated reporting is completed, and minimize adverse environmental impacts during construction;
- Provide site management guidance to the PIUs and local consultants in relation to the construction;
- Assist the PIUs in project planning, scheduling, and reporting of sub-project activities;
- Assist the PIUs in ensuring the quality of all of the infrastructure components; and
- Assist the international counterpart to update the draft procurement plan from time to time (at least annually).

3. Financial Management Specialist (International, 6 person-months)

5. The International Financial Management Specialist should have a degree in business management, finance/accounting, economic business or a related discipline. He/she should have at least 7 years experience of financial management and accounting under donor-funded projects, with particular reference to the ADB and past experience of working in Southeast Asia. The specialist will report to the Team Leader and work closely with the Accounting Specialist. Specific activities will include:

- Plan and organize financial management training seminars for the accounting staff in the PMU and both PIUs. The training will cover loan disbursement procedures and financial management practices for ADB financed projects;
- Install good practices and knowledge for project accounting by providing on job training.
- Identify any issues in the financial management system for project implementation in the PMU/PIUs and recommend measures to address the issues identified;
- Advise PMU/PIUs on organizational arrangements for effective financial management for project implementation;
- Assist PMU/PIUs to develop procedures for financial accounting, reporting and auditing and loan disbursement for the project;
- Guide and assist PMU/PIUs to process ADB loan withdrawal in accordance with ADB's procedures. Assist the EA to coordinate with the PMU/PIUS and communicate with ADB in relation to financial management and loan withdrawal matters;

- Support PMU/PIUs to prepare documents for loan withdrawal including certificates and reporting formats for efficient and effective flow of funds between ADB, GoC, PIUs, other relevant local government departments and contractors;
- Assist PMU/PIUs to prepare and update continuously financial records, projections, and reports of the project in accordance with procedural requirements of ADB and the GoC;
- Review current budgeting, accounting, and financial reporting in the PIUs and Treasury agencies at the provincial and town levels, and recommend changes to improve the efficiency and accuracy of budgeting, accounting, and financial reporting systems; and
- Review internal control systems in the PIUs and recommend improvements for internal control systems in the PIUs.

4. Financial Management and Accounting Specialist (National, 24 person-months)

6. The Financial Management and Accounting Specialist (National) must have a degree or equivalent in accounting. He/she should have at least 5 years relevant working experience in financial management and accounting under donor-funded projects, with particular reference to the ADB. The specialist will report to work and closely with the Financial Management/Analysis Specialist (International). Specific activities will include:

- Assist the international counterpart to plan and organize financial management training seminars for the accounting staff in the PMU and both PIUs. The training will cover loan disbursement procedures and financial management practices for ADB financed projects.
- Assist in the installation of good practices and knowledge for project accounting by providing on job training;
- Identify any issues in the financial management system for project implementation in the PMU/PIUs and work closely with the international counterpart to recommend measures to address the issues identified;
- Help advise PMU/PIUs on organizational arrangements for effective financial management for project implementation;
- Help assist PMU/PIUs to develop procedures for financial accounting, reporting and auditing and loan disbursement for the project;
- Guide and assist PMU/PIUs to process ADB loan withdrawal in accordance with ADB's procedures. Assist the EA to coordinate with the PMU/PIUS and communicate with ADB in relation to financial management and loan withdrawal matters;
- Help in supporting PMU/PIUs to prepare documents for loan withdrawal including certificates and reporting formats for efficient and effective flow of funds between ADB, GoC, PIUs, other relevant local government departments and contractors;
- Help in assisting PMU/PIUs to prepare and update continuously financial records, projections, and reports of the project in accordance with procedural requirements of ADB and the GoC;
- Assist the international counterpart to review current budgeting, accounting, and financial reporting in the PIUs and Treasury agencies at the provincial and town levels, and recommend changes to improve the efficiency and accuracy of budgeting, accounting, and financial reporting systems; and

- Assist the international counterpart review internal control systems in the PIUs and recommend improvements for internal control systems in the PIUs.

5. Project Performance Monitoring System (PPMS) Expert (National, 14 person-months)

7. The Project Performance Monitoring System is required to monitor the progress of project implementation and monitor the delivery of outputs, outcomes and impacts under the project. The expert will have at least a degree in social sciences, economics, governance/administration or a related discipline, with at least 5 years experience of monitoring and evaluation under donor-funded projects, with particular reference to the ADB. He/she will be responsible to the Team Leader and be based in the PMU. Duties of the specialist will include:

- Assist the Team Leader and the PMU to design a PPMS framework, based on the Design and Monitoring Framework (DMF) and in harmonizing ADB and GoC monitoring requirements;
- Assist the PIUs in preparing detailed data formats, survey designs and monitoring schedules;
- In association with the resettlement, social, and environmental specialists, assist in training for the EA, the Implementing Agencies (IAs) and the PMU staff on overall project requirements for monitoring and evaluation.
- Assist the PIUs to collect, record and analyse all necessary data, including baseline data;
- Assist in preparing the terms of reference for the detailed monitoring and evaluation surveys, selecting a survey firm, supervising the baseline survey, and analyzing the survey results all as may be necessary;
- Review the PPMS survey results and provide comments for improvements;
- Assist the PIUs in ensuring the PPMS framework and its indicators are regularly updated; and
- Prepare annual PPMS reports and final PPMS reports for submission to the Team Leader and the PMU.

6. Solid Waste Management Specialist (International, 8 person-months)

8. The Solid Waste Management Specialist should have a degree in civil/municipal engineering, environmental engineering and/or a related subject, and be a chartered professional qualified engineer with broad experience in the implementation of solid waste management projects in South-East Asia. He/she should also have at least 7 years experience of the design, implementation and O&M of managed landfills. He/she should be familiar with donor funded projects, with particular reference to ADB policy and practice. The activities for the solid waste management specialist will include:

- Review and evaluate the present management of designated controlled dumpsites
- Proceed with initial soil quality analysis up to the water table to further monitor its evolution
- Estimate potentials for recycling improvement

- Final design of the proposed controlled landfill including production of a final design report, construction drawings and contract documentation
- Supervision of national design team members to produce final drawings
- Liaison with Provincial authorities during the design process
- Together with the Managed Landfill Specialist under the CBP, on the job training of PIU's dumpsite managers (placing of wastes in consistent layers, compacting, adapting routing for collection monitoring and adapt dumping from collection trucks, sanitary management of pits for septic tanks sludge, etc.),
- Assist hospitals / health centers and train their staff to facilitate medical waste collection and disposals.
- On the basis of the socio-economic surveys conducted by PPTA Consultants, preparation and implementation of awareness initiatives: positive/attractive presentations of PMU's missions and duty, participate meetings on advantages of an efficient municipal solid waste service to improve living conditions in villages, dissuade habitants to burn their wastes,
- Surveys about the quality of service expected by residents and survey on willingness to pay for solid waste collection services.

7. Solid Waste Management Specialist (National, 12 person-months)

9. The Solid Waste Management Specialist should have a degree in civil/municipal engineering, environmental engineering and/or a related subject, and be a chartered professional engineer with experience in the implementation of solid waste management projects in Cambodia. He/she should also have at least 5 years experience of the design, implementation and O&M of managed landfills. He/she should be familiar with donor funded projects, with particular reference to ADB policy and practice. The solid waste management will support the international counterpart in all areas relating to solid waste management, including:

- Review and evaluate the present management of designated controlled dumpsites
- Proceed with initial soil quality analysis up to the water table to further monitor its evolution
- Estimate potentials for recycling improvement
- Final design of the proposed controlled landfill including production of a final design report, construction drawings and contract documentation
- Liaison with Provincial authorities during the design process
- Together with the International Specialist and the Managed Landfill Specialist under the CBP, on the job training of PIU's dumpsite managers (placing of wastes in consistent layers, compacting, adapting routing for collection monitoring and adapt dumping from collection trucks, sanitary management of pits for septic tanks sludge, etc.),
- Assist hospitals / health centers and train their staff to facilitate medical waste collection and disposals.
- Support preparation and implementation of awareness initiatives: positive/attractive presentations of PMU's missions and duty, participate meetings on advantages of an efficient municipal solid waste service to improve living conditions in villages, dissuade habitants to burn their wastes,

- Surveys about the quality of service expected by residents and survey on willingness to pay for solid waste collection services.

8. Wastewater / Civil Engineer (International, 8 person-months)

10. The Municipal/Civil Engineer will have a degree in civil engineering, municipal engineering, or other relevant discipline. He/she will have at least 10 years of work experience in road design in developing countries, of which 5 years will have been international development assistance funded projects. The Wastewater/Civil Engineer will report directly to the Team Leader, and will travel frequently to the field. He/she will be responsible to ensure the quality of design of urban roads, flood protection and embankment infrastructure, and drainage. In particular, he/she will be responsible for the following scope of work:

- Be responsible for and provide guidance in the design and implementation of the wastewater treatment plant in Kampot, pump stations, reticulation and road drainage.
- Review and finalize detailed designs, cost estimates and procurement documents related to the wastewater treatment schemes and road drainage.
- Assist in the preparation of specifications and bidding documents for the wastewater treatment scheme and road drainage ;
- Prepare work plans and schedule of activities including submission of regular physical reports on civil works and construction activities related to the wastewater treatment scheme in Kampot and road drainage.
- Provide technical specifications to ensure engineering quality of civil works and construction activities of civil works and construction activities of wastewater treatment scheme in Kampot and road drainage. ;
- Prepare manual outline for O&M outlining procedures and hand over arrangements for the Kampot wastewater treatment schemes and road drainage for the agencies that are responsible for O&M of such structure; and the manual to be translated into Cambodian- English.
- Assist in the assessment of capacity development needs for planning, implementation and O&M of wastewater treatment scheme for Kampot and road drainage for participating agencies and local institutions.

9. Wastewater Engineer (National, 12 person-months)

11. The Drainage and Sanitation Engineer (National) will have a degree in civil engineering and at least 5 years of experience in the design and construction of drains and basic sanitation facilities. The Drainage and Sanitation Engineer (National) shall assist the Wastewater/Civil Engineer (International) to design the project's stormwater and wastewater drains and other associated components as described under the ToR for the Wastewater/Civil Engineer (International), including:

- Design and implementation of the wastewater treatment plant in Kampot, pump stations, reticulation and road drainage.
- Review and finalize detailed designs, cost estimates and procurement documents related to the wastewater treatment schemes and road drainage.
- Assist in the preparation of specifications and bidding documents for the wastewater treatment scheme and road drainage ;

- Assist in the preparation of work plans and schedule of activities including submission of regular physical reports on civil works and construction activities related to the wastewater treatment scheme in Kampot and road drainage.
- Provide technical specifications to ensure engineering quality of civil works and construction activities of civil works and construction activities of wastewater treatment scheme in Kampot and road drainage. ;
- Support preparation of manual outline for O&M outlining procedures and hand over arrangements for the Kampot wastewater treatment schemes and road drainage for the agencies that are responsible for O&M of such structure; and the manual to be translated into Cambodian-English.
- Assist in the assessment of capacity development needs for planning, implementation and O&M of wastewater treatment scheme for Kampot and road drainage for participating agencies and local institutions.

10. Drainage Engineer (National, 12 person-months)

12. The Drainage Engineer (National) will have a degree in civil engineering and at least 5 years of experience in the design and construction of drains.

- The Drainage Engineer (National) shall assist the Wastewater/Civil Engineer (International) to design the project's drainage as described under the ToR for the Wastewater/Civil Engineer (International) above.
- Ensure the efficient implementation of the drainage component of the project in association with the International civil engineer.
- Design drains, prepare technical documents and specifications.
- Supervise construction and management of drainage projects.
- Conduct field investigations and community consultations.

11. Construction Manager (International, 12 person-months)

13. The specialist will have a university degree in civil engineering or related discipline and have at least 15 years experience in construction supervision and contract management, preferably in SE Asia.

- The Construction manager is to act as the Engineer's representative as delegated by the Team Leader and shall be responsible for construction supervision of all subprojects.
- The Construction manager shall ensure all technical and administrative clearances required by the constructing agencies which otherwise could result in delaying the sub projects.
- The Construction manager shall establish proper quality assurance systems as per international best practices and procedures.
- The Construction manager shall ensure compliance of the contract agreement in letter and spirit by observing strict vigilance to avoid any possibility of time and budget overrun

- The Construction manager shall be responsible to oversee the implementation of works and monitoring progress of works and ensuring the works are carried out in accordance with the contract, specifications, drawings and project plans.
- The Construction manager will visit the project sites on a daily basis in order to identify any problems and provide appropriate solutions through application of sound engineering standards in consultation with the Team Leader.
- The Construction manager shall undertake measurement of works in support of contractor claims for payment and supervise the Clerk of Works/Site Engineers (National) assigned to the Project and monitoring their performance.

12. Site Engineer (2 National, 12 person-months each)

14. The Site Engineers will have at least 10 years demonstrated experience in supervision of road and / or drainage and / or large building construction.

- The Site Engineers shall assist the Construction manager to monitor the project's construction activities and to administer construction contracts.
- Site Engineers will report to the Construction manager.

13. Environment Specialist (International, 3 person-months)

15. The Environment Specialist shall have a masters' degree in environmental engineering or related discipline and at least 10 years of experiences in environmental management and impact assessments, preferably with project experiences on donor-funded projects. The specialist will primarily ensure that the various subprojects conform to ADB's Safeguard Policy Statement 2009 particularly to the environmental aspects. The specialist will also assess compliance with applicable government environment laws and update environmental safeguard documents as may be necessary. The Environmental Specialist will provide the PMU/PIUs: (i) technical assistance and advice in updating, revising of IEEs and EMPs and supervision of EMP implementation; and (ii) capacity development in environmental monitoring and reporting.

- Provide technical advice/support to the PMU/PIUs and other players in the:
 - Revision and/or updating of IEEs, specifically in case of design changes/revisions. And, updating and finalization of the EMPs based on final design.
 - Monitoring of the incorporation of relevant mitigation measures in the detailed designs, mitigation measures and monitoring activities in the O&M Manual/s, where applicable.
- Ensure implementation of the Environmental Management Plans (EMPs) in all subprojects.
- Formulation and/or update of the monitoring and reporting systems for all project components.
- Advise the PMU/PIUs in the preparation of terms of reference for the conduct of air water and air quality sampling, including follow up interviews with local residents on issues and concerns arising during project construction;
- Coordination with the procurement consultant/committee to ensure that the: Final Subproject EMPs are included in the respective bidding documents,

- Evaluation of Contractor's EMPs (CEMPs) including the establishment of environmental management criteria for bid evaluation.
- Provide technical advice and support to the PMU/PIUs in the operationalization of the Grievance Redress Mechanism and other necessary preparations, e.g., materials for dissemination and posting, documentation and communication systems, among others. Setting up of the grievance redress reporting format and system.
- Undertake the necessary capability building activities (seminar or workshops) for the PMU/PIUs and other implementation partners/stakeholders.
- Conduct visits to subproject working sites to ensure EMP/EMoP implementation, and provide advice on any actions required to ensure EMP/EMoP compliance.
- Review monthly/quarterly environment monitoring reports submitted by contractors, IAs, and other parties.
- Conduct independent monitoring of EMP implementation status and additional environmental monitoring if necessary, to verify that issues and subsequent actions reported in the internal environmental monitoring report, quarterly progress report, and semi-annual environmental progress report are in compliance with ADB's safeguard and other relevant policies;
- Review the implementation of the grievance redress mechanism. Identify necessary improvement/s in the mechanism. Review the reports prepared by the IAs/contractors.
- Make recommendations to resolve any issues and/or problems in implementing the EMPs, and provide advice to the executing agencies and implementing agencies;
- Assist the PMU/PIUs in preparing the integrated safeguards monitoring report that will be submitted to ADB on a semi-annual basis.
- Perform other tasks that are relevant to his position and are not mentioned above.

14. Environment Specialist (National, 9 person-months)

16. The Environment Specialist shall have a masters' degree in environmental engineering or related discipline and at least 7 years of experience in environmental management and impact assessments, preferably with project experiences on donor-funded projects, and be familiar with the Environmental Protection Law of Cambodia and other relevant laws and regulations. The specialist will ensure that the various subprojects conform to ADB's Safeguard Policy Statement 2009 particularly to the environmental aspects. The specialist will also assess compliance with applicable government environment laws and update environmental safeguard documents as may be necessary. The Environmental Specialist will provide the PMU/PIUs: (i) technical assistance and advice in updating, revising of IEEs and EMPs and supervision of EMP implementation; and (ii) capacity development in environmental monitoring and reporting.

- Assist the international counterpart in providing technical advice/support to the PMU/PIUs and other players in the:
 - Revision and/or updating of IEEs, specifically in case of design changes/revisions. And, updating and finalization of the EMPs based on final design.
 - Monitoring of the incorporation of relevant mitigation measures in the detailed designs, mitigation measures and monitoring activities in the O&M Manual/s, where applicable.

- Ensure implementation of the Environmental Management Plans (EMPs) in all subprojects.
- Support the formulation and/or update of the monitoring and reporting systems for all project components.
- Coordinate with the procurement consultant/committee to ensure that the final subproject EMPs are included in the respective bidding documents,
- Evaluate the Contractor's EMPs (CEMPs) including the establishment of environmental management criteria for bid evaluation.
- Work with the international counterpart to provide technical advice and support to the PMU/PIUs in the operationalization of the Grievance Redress Mechanism and other necessary preparations, e.g., materials for dissemination and posting, documentation and communication systems, among others. Setting up of the grievance redress reporting format and system.
- Undertake the necessary capability building activities (seminar or workshops) for the PMU/PIUs and other implementation partners/stakeholders.
- Conduct visits to subproject working sites to ensure EMP/EMoP implementation, and provide advice on any actions required to ensure EMP/EMoP compliance.
- Review monthly/quarterly environment monitoring reports submitted by contractors, IAs, and other parties.
- Conduct independent monitoring of EMP implementation status and additional environmental monitoring if necessary, to verify that issues and subsequent actions reported in the internal environmental monitoring report, quarterly progress report, and semi-annual environmental progress report are in compliance with ADB's safeguard and other relevant policies;
- Review the implementation of the grievance redress mechanism. Identify necessary improvement/s in the mechanism. Review the reports prepared by the IAs/contractors.
- Make recommendations to resolve any issues and/or problems in implementing the EMPs, and provide advice to the executing agencies and implementing agencies;
- Assist the PMU/PIUs in preparing the integrated safeguards monitoring report that will be submitted to ADB on a semi-annual basis.
- Support the PMU/PIUs to disseminate to stakeholders the results of environment quality monitoring and implementation of safeguards, especially among households or small businesses near the proposed works;
- Conduct follow-up consultations and interviews with local residents to identify concerns or grievances arising construction

15. Resettlement Specialist (International, 4 person-months)

17. The Resettlement Specialist (International) will hold at least a Master's degree in social sciences, sociology or another relevant discipline. He/she will have at least 10 years of work experience in resettlement planning and social development, including 5 years with ODA-funded projects. He/she will have an in-depth understanding of national and international best practices and policy on involuntary resettlement issues, social development, and poverty reduction. Extensive experience in community mobilization and analysis of resettlement issues in Cambodia will be an advantage. He/she must have a clear understanding of

resettlement checklists and guidelines of ADB or other international donor agencies and be familiar with ADB Safeguards Policy Statement.

- Assist the PMU, PIUs and local authorities on involuntary resettlement safeguards matters, in updating the resettlement plan;
- Assist the PMU to ensure that ADB's involuntary resettlement safeguard categorization remains B;
- Assist in the preparation of updated RPs;
- Assist in monitoring that the grievances are addressed promptly and properly and that the grievance redress mechanism is functioning well;
- Provide training on grievance if needed;
- Assist PMU with ongoing internal monitoring for resettlement based on the approved updated resettlement plan and affected households database, including the preparation of a consolidated quarterly internal monitoring report for involuntary resettlement (i.e., quarterly safeguard monitoring report for involuntary resettlement) as an attachment to the quarterly project progress reports;
- Design and deliver capacity development activities for the PMU, as needed, in the area of involuntary resettlement and resettlement plans;
- Assist the PMU in updating the public information booklets and translating them into Khmer.

16. Resettlement Specialist (National, 12 person-months)

18. The Resettlement Specialist (National) will hold a Master's degree in social sciences, sociology or relevant discipline. He /she will have at least 8 years of experience in resettlement planning; including 3 years with ODA funded projects. Knowledge and experience in the application of the ADB Safeguards Policy Statement and resettlement policy of the Government of Cambodia would be an advantage. Fluency in both spoken and written English is essential. He/she must have demonstrated ability to work with a multi-disciplinary team of international and national consultants.

Assist international resettlement expert with:

- Assist the PMU, PIUs and local authorities on involuntary resettlement safeguards matters, in updating the resettlement plan;
- Assist the PMU to ensure that ADB's involuntary resettlement safeguard categorization remains B;
- Assist in the preparation of updated RPs based on the detailed design based on the results of the DMS and the replacement cost survey;;
- Assist in monitoring that the grievances are addressed promptly and properly and that the grievance redress mechanism is functioning well;
- Provide training on grievance if needed;
- Assist PMU with ongoing internal monitoring for resettlement based on the approved updated resettlement plan and affected households database, including the preparation of a consolidated quarterly internal monitoring report for involuntary

resettlement (i.e., quarterly safeguard monitoring report for involuntary resettlement) as an attachment to the quarterly project progress reports;

- Design and deliver capacity development activities for the PMU, as needed, in the area of involuntary resettlement and resettlement plans;
- Assist the PMU in updating the public information booklets and translating them into Khmer.

17. Social Development and Gender Specialist (International, 4 person-months)

19. The Social Development and Gender Specialist (International) will support the implementation of poverty and social analyses, and the gender strategy for the subprojects. This specialist will also support mainstreaming of gender into the project through application of the Gender Action Plan (GAP) and by gender awareness training. The specialist should have a degree in social sciences, sociology or a related discipline. They should have at least 8 years experience of urban community development and gender related work, including working with ethnic minorities. They should be familiar with policies and practice in Cambodia under donor-funded projects, preferably with the ADB. He/she should carry out the following activities in close association with the Social Development and Gender Specialist (National):

- At the project detailed design phase to provide technical leadership related to the proposed subproject components from the social development and gender perspectives; commencing with a review and reconfirmation of the subproject components developed during project preparation in close association with the PMU/PIUs;
- Review the SPRSS and the GAP prepared under the PPTA and their application in the two subprojects and specifically working with the PIUs and the project affected communities in providing advice on implementing the GAP, including reference to: (i) coordinating gender development with sector/technical issues; (ii) gender sensitive communication; (iii) equal access to training and capacity development; and (iv) mentoring issues;
- Design and assist the PIUs in the implementation of appropriate additional socio-economic and other relevant surveys in each town, with data disaggregated by sex, ethnicity and income;
- Work closely with the PIUs in both project towns and support them in implementing the activity plans that constitute part of the SPRSS/GAP. This will include, but not be limited to refining training and capacity building activities for the PIUs, with particular reference to support for implementation of the project loan;
- Design and assist the PIUs in the implementation of information campaigns and community mobilization, and further, programs and projects to develop livelihoods, social development and vocational needs with an emphasis on the urban poor and disadvantaged households;
- Coordinate with the project resettlement specialists regarding the livelihood and social development aspects of the resettlement action plans, and advising the PIUs on a training needs assessment of impacted households, including disaggregation of livelihoods by gender;

- Ensure that social development and gender issues are accurately covered within all phases of the project; and assess and carefully track youth and women's livelihood needs;
- Assist the PIUs with provision of technical assistance and coordination of demand-driven awareness building and training and guidelines to support vulnerable households and groups with direct reference to implementation and support for the project loan components;
- Working closely with the Social and Gender Specialist (National) prepare and assist in delivering training courses relevant to project loan implementation, including gender related issues for all the project implementation agencies and other stakeholders as appropriate;
- Facilitate knowledge sharing on social development and gender related issues, including through partner forums, web pages and reports and including lessons learned/ best practice from South-East Asia and elsewhere if relevant; and
- Consider the validity and develop an agreed participatory plan supporting potential technical and/or demonstration supports to project affected peoples.

18. Social Development and Gender Specialist (National, 12 person-months)

20. The Social and Gender Specialist (National) will support his/her international counterpart and the PMU/PIUs in the implementation of poverty and social analyses, gender strategy and action plans for the subprojects. This specialist will also support mainstreaming of gender into the project through application of the Gender Action Plan (GAP) and by gender awareness training. The specialist should have at least a bachelors degree in social sciences, sociology or a related discipline. They should have at least 5 years experience of urban community development and gender related work, including working with ethnic minorities. He/she should carry out the following activities: He/she will work alongside the Social Development and Gender Specialist (International) and will carry out the following activities:

- Assist the PIUs and other stakeholders to implement the GAP in accordance with ADB and GoC gender related policies and plans;
- Assist the PIUs in to design and help manage the implementation of new socio-economic surveys as appropriate and which are relevant to the subproject components in the two towns, including gender and community development;
- Consult with project related beneficiaries to ensure women's needs and aspirations are addressed in the subprojects detailed design, implementation and subsequent monitoring;
- Assist the PIUs by acting as a gender focal point and facilitator for gender mainstreaming in data/information collection, monitoring, sector coordination, technical design issues, communication, training and capacity development and mentoring;
- Contribute to the preparation and delivery of training courses and stakeholder workshops to inform and raise awareness about project related and other more general social development and gender issues in both towns; and
- Facilitate knowledge sharing on social development and gender related issues, including through partner forums, web pages and reports and including lessons learned/ best practice from elsewhere in Cambodia.

D. Capacity Building (Package 2)

21. Package 2 of the consulting services, Capacity Building, will support capacity-building for key stakeholders relevant to the projects, including provincial and municipal administrations (with a focus on PDWTs) as well as relevant local stakeholders that may play a role in the performance of urban services, including NGOs/CSOs, the business community, residents and the heads of local communities (Sangkats). Women, including through representation from the Cambodian Women's Development Association, will be a key focus. This capacity building will cover three key areas:

- Area 1: Implementation and O&M for project investments
- Area 2: Sustainable Livelihoods Development and Community Awareness
- Area 3: Refinement and Implementation of SLEDPs

22. Area 1 will focus on improving capacities of key provincial agencies to implement the subprojects and strengthen their capacities for O&M of the facilities constructed and financed by the ADB loan. This will cover packages focusing on lessons learned from similar urban projects in Cambodia and Asia, O&M for managed landfills, simplified business development plans, revenue improvement action actions, physical assets management, and improving business climate for Small Service Providers (SSPs). Area 2 will focus on sustainable livelihoods development, and will include one package that will target skills development (particularly of unskilled women in the project areas) to enhance employment opportunities; and one package that will improve community awareness through trainings on gender sensitization, environmental sanitation, social risks of human trafficking, and other relevant subjects. Area 3 will include refinement and implementation of the SLEDPs for each town. Draft SLEDPs for each town have already been drafted based on a technical assessment of potential investments in the strategic context of the GMS economic corridors and stakeholder consultations and discussions at a provincial and town level. This package will seek to enable implementation of these SLEDPs. It would include a focus on participative urban regeneration, conservation and enhancement initiatives in Kampot, building on the proposals on these aspects in the Kampot SLEDP. The capacity building packages in each of these areas are summarized in the table below.

Table 2.3: Overview of Capacity Building Areas

Area 1: Implementation and O&M for project investments
1.1 – Lessons Learned
1.2 – Assistance to Managed Landfill O&M
1.3 –Simplified Business Development Plans
1.4 – Revenue Improvement Action Plans
1.5 – Physical Assets Management
1.6 – Improving Business Climate for SSPs
Area 2: Sustainable Livelihoods Development and Community Awareness
2.1 – Skills development
2.2 – Improving Community Awareness
Area 3: Refinement and Implementation of SLEDPs
3.1 - SLEDP Implementation

23. The capacity building to be delivered under this consultancy will be managed by the Training Specialist (International), under the overall leadership and guidance of the Team Leader / Municipal Engineer. It will consist of an estimated 64 person-months of consulting services (28 person-months international consulting and 36 person-months national).

Table 2.4: Summary of Positions and Person-Months for Package 2 of this consultancy

	Position	Person Months		
	Capacity Building (Package 2)	International	National	Total
19	Capacity Building and Training Specialist	6		6
20	Training Specialist		12	12
21	Community Development Specialist	4		4
22	Community Development Specialist		6	6
23	Business Management Specialist	4		4
24	Business Management Specialist		6	6
25	Municipal Finance Specialist	4		4
26	Municipal Finance Specialist		6	6
27	Managed Landfill Specialist	6		6
28	Urban Planning Specialist	4		4
29	Urban Planner and Urban Design Specialist		6	6
	Package 2 – Sub Total	28	36	64

19. Capacity Building and Training Specialist (International, 6 person-months)

24. The Training Specialist (International) will lead the design, implementation and assessment of the proposed Capacity Building Program (CBP), including advice on the design of training manuals and CBP sustainability. The Training Specialist will lead preparation and delivery of 1.1 – Lessons learned of the Capacity Building Program. The specialist should have a degree in governance/administration, business management, sociology or a related discipline, with at least 5 years experience of the design and delivery of relevant training programs under donor-funded projects. He/She should carry out the following activities:

- Design and manage the initial training needs assessment and participant identification in each town.
- Advise and agree on the selection of a representative set of participants for the training program, taking account of the need to focus on implementation staff and officials (provincial and town level) and subsequent project operators and maintainers and for general CTDTP project coordination and implementation. Participants should also include: (i) the mass organizations; and (ii) any relevant local community and non-government organizations personnel;
- Manage the preparation of the training course designs in coordination with other selected specialists implementing the CBP;

- Managing the training program in coordination with other selected specialists implementing the CBP and as appropriate, running the sessions and ensuring that all management support requirements are clearly communicated;
- Provide advice to PIUs on support management, including general administration, logistics and back-up services for the training courses,
- Carry out course evaluations, customized for the different target groups participating in the capacity building/training courses and involving a mix of questionnaires and interviews.
- Based on the findings of the pilot activities, make outline recommendations for the form and content of a long term program and identify the options for enhanced sustainability and institutionalization of the proposed program.
- Identify the sources for potential future trainers with the capacity for undertaking subsequent long term capacity-building and suggest the level of additional training such trainers may require.
- Make recommendations for the type of operational and training manuals that may be required for implementing long term capacity-building programs, with an outline of the contents and the resources required for drafting such manuals.

20. Training Specialist (National, 12 person-months)

25. The Training Specialist (National) will support his/her international counterpart in providing a professional context for the design, implementation and assessment of the proposed Capacity Building Program (CBP) and including advice on the design of training manuals and continuity and CBP sustainability, and also support preparation and delivery of 1.1 – Lessons learned. The Training Specialist (National) should have a degree in governance/administration, business management, sociology or a related discipline, with at least 5 years experience of the design and delivery of relevant training programs under donor-funded projects. A good working knowledge of the English language will be essential. He/She should carry out the following activities:

- Work closely with the international counterpart and the other national CBP specialists in the design and management of the initial training needs assessment and participant identification in each town.
- Advise the international counterpart and the other CBP on the selection of a representative set of participants for the training program, taking account of the need to focus on implementation staff and officials (provincial and town level) and subsequent project operators and maintainers and for general CTDTP project coordination and implementation, including: (i) the mass organizations; and (ii) any relevant local community and non-government organizations personnel;
- Work closely with the international counterpart and the other national CBP specialists in the preparation of the training course designs in coordination with other selected specialists implementing the CBP and ensuring high levels of English-Cambodian language compatibility.
- Providing assistance in the implementation of the CBP including, running the sessions and ensuring that all management support requirements are clearly communicated;
- Assisting the PMU/PIUs on support management, including general administration, logistics and back-up services for the training courses;

- Assisting the international counterpart in carrying out course evaluations and in the design; implementation and results analysis of relayed evaluation questionnaires and interviews; and
- Based on the findings of the pilot activities, assist the international counterpart in defining the form and content of a long term capacity building program, to include the potential sources for future trainers;
- Advise the international counterpart on the type of operational and training manuals to suitable for long-term capacity building with particular reference to ensuring understanding of the Cambodia cultural perspective; and
- Ensure high levels of quality control for all matters related to the English-Cambodia language compatibility.

21. Community Development Specialist (International, 4 person-months)

26. The Community Development Specialist (International) will work closely with the PIUs and local communities in all aspects of the project where community participation is beneficial, and lead preparation and implementation of 2.1 – Skills development and 2.2 – Improving Community Awareness. This specialist should have a degree in sociology, social development, governance/administration, business management, or a related discipline, with at least 5 years experience of the design and delivery of relevant training programs under donor-funded projects. He/She should carry out the following activities:

- Designing and managing a “training of trainers program”, including focus groups in gender equality, “women in development” and self-esteem for women;
- Designing a communications strategy and helping the PIUs to make better use of available media channels, including radio, website, brochures, meetings/seminars and events;
- Designing and assisting the implementation of training for both PIUs on survey methodologies for surveys among residents (socio - economics, health, education etc) and including a limited pilot survey related to stakeholder priorities;
- Assisting in stimulating the contribution of women in urban services improvement in the project context and generally, including mini-workshops and case studies on how urban services and infrastructure upgrading can improve living conditions and equity;
- Assisting in stimulating the role of women in local economic activities, with particular reference to local resources and skills base and marketing capability;
- Designing and managing assistance to PIUs in both towns to conduct pilot studies and produce two concept notes (per province) related to microfinance projects, which promote women's economic initiatives and livelihood development; and
- Advising and facilitating training and awareness raising on safeguarding vulnerable women and ethnic minority women against human trafficking and prostitution.

22. Community Development Specialist (National, 6 person-months)

27. The Community Development Specialist (National) will assist the international counterpart in working closely with the PIUs and the Village Development Councils (VDCs) in all aspects of the project where community participation is beneficial, and support preparation and implementation of 2.1 – Skills development and 2.2 – Improving Community Awareness. This

specialist should have a degree in sociology, social development, governance/administration, or a related discipline, with at least 5 years experience of the design and delivery of relevant training programs under donor-funded projects. He/She should carry out the following activities:

- Assisting the international counterpart in designing and managing the proposed “training of trainers program”, emphasizing the Cambodian societal and cultural perspectives;
- Advising the international counterpart on the design and implementation of the proposed communications strategy and helping the PIUs to make better use of available media channels, including radio, website, brochures, meetings/seminars and events;
- Working together with the international counterpart in the implementation of training for both PIUs on survey methodologies for surveys among residents (socio - economics, health, education etc) and including a limited pilot survey related to stakeholder priorities;
- Carrying out surveys about the quality of service expected by residents and survey on willingness to pay for solid waste collection services in before and after situations;
- Working closely with the international counterpart and the PIUs in stimulating the contribution of women in urban services improvement in the project context;
- Working closely with the international counterpart and the PIUs in stimulating the role of women in local economic activities, with particular reference to local resources and skills base and marketing capability;
- Assisting in providing support for the protection and marketing of local cultural assets;
- Working closely with the international counterpart in designing and managing of assistance to the PIUs in both towns to conduct pilot studies and producing the proposed concept notes related to microfinance projects, which promote women’s economic initiatives and livelihood development; and
- Working closely with the international counterpart in advising and facilitating training and awareness raising on safeguarding vulnerable women and ethnic minority women against human trafficking and prostitution.

23. Business Management Specialist (International, 4 person-months)

28. The Business Management Specialist (International) will lead the preparation and implementation of 1.3 – Simplified Business Development Plans for the PDWTs in both provinces (Package) and 1.6 – Improving Business Climate for for Small Service Providers. The specialist should have a degree in governance/administration, business management, business economics or a related discipline, with at least 5 years experience of the design and delivery of corporate/management plans for government agencies and and private sector groups/companies delivering urban services. He/she should also have professional working experience of donor-funded projects, with particular reference to South-East Asia is also required. The international consultant should carry out the following activities:

Part A – Simplified Corporate Development Planning

- Based on the active participation of PDWT staff (working groups, internal surveys, study preparation of internal procedures), the international consultant will assist the two provincial authorities to design and establish their own 5-year simplified Corporate Development Plan (CDP);

- Design and implement mini-workshops based on study cases (lessons learned) from within Cambodia and in other Asian countries as an aid to preparing and implementing the CDPs;

Part B – Building Capacity of Small Service Providers (SSPs)

- Design and implement focus group discussions to work out requirements (and obstacles and opportunities) to stimulate local SSPs;
- Instigate interviews and participatory meetings to raise awareness on the need for sustainable urban services and the interest of small business communities;
- Instigate the identification of potential SSPs (entrepreneurs with an interest in investing in SSP development; equipment to provide a service);
- Design a database (and help manage its preparation) of potential investors/operators in both provinces, including characteristics and typology and SWOT business motivation per category and potential service areas;
- Manage preparation of an SSP Action Plan to be proposed to provincial governments to adopt a regulatory framework and mechanisms and incentives to stimulate SSP development (incl. tax incentives) in and around both the two towns.

24. Business Management Specialist (National, 6 person-months)

29. The Business Management Specialist (National) will support generally the international counterpart and in particular provide the essential local knowledge and experience in corporate planning and SSPs. The specialist should have a degree in governance/administration, business management, business economics or a related discipline, with at least 5 years experience of working with the planning and management for government agencies and SSPs/SMEs. He/she should preferably have professional working experience of donor-funded projects. The Municipal Finance Specialist (National) will work closely with his/her international counterpart to support the delivery of 1.3 – Simplified Business Development Plans and 1.6 – Improving Business Climate for SSPs. The national consultant should carry out the following activities:

Part A – Simplified Corporate Development Planning

- Based on the active participation of PDWT staff (working groups, internal surveys, study preparation of internal procedures), the international consultant will assist the two provincial EAs to design and establish their own 5-year simplified Corporate Development Plan (CDP);
- Design and implement mini-workshops based on study cases (lessons learned) from within Cambodia and in other Asian countries as an aid to preparing and implementing the CDPs;

Part B – Building Capacity of Small Service Providers (SSPs)

- Design and implement focus group discussions to work out requirements (and obstacles and opportunities) to stimulate local SSPs;
- Instigate interviews and participatory meetings to raise awareness on the need for sustainable urban services and the interest of small business communities;
- Instigate the identification of potential SSPs (entrepreneurs with an interest in investing in SSP development; equipment to provide a service);

- Design a database (and help manage its preparation) of potential investors/operators in both provinces, including characteristics and typology and SWOT business motivation per category and potential service areas;
- Manage preparation of an SSP Action Plan to be proposed to Provincial Governments to adopt a regulatory framework and mechanisms and incentives to stimulate SSP development (incl. tax incentives) in and around the two towns.

25. Municipal Finance Specialist (International, 4 person-months)

30. The Municipal Finance Specialist (International) should have a post graduate degree in business management, finance/accounting, economic business or a related discipline. He/she should have at least 7 years experience of financial management and accounting under donor-funded projects, with particular reference to the ADB and past experience of working in Southeast Asia. The Municipal Finance Specialist (International) will lead the preparation and implementation of 1.4 – Revenue Improvement Action Plans and 1.5 – Physical Assets Management and will carry out the following activities:

- Design and implement training sessions for Revenue Improvement Action Plans (RIAPs), covering, concepts, objectives, problems/opportunities, revenue improvement options and implementation approaches;
- Based on PPTA's Financial Assessment of Revenue-Generating potential, carry out the identification of provincial tax and non-tax revenues potential;
- Design and assist the implementation and analysis of willingness to pay surveys among tax and fees payers in the two towns;
- Organize focus groups to produce 5-year RIAPs in both towns; bridging with performance standards to increase quality of service; and
- Produce a manual for preparation, implementation and monitoring of RIAPs, which becomes an appropriate role model for use in both towns and elsewhere in Cambodia.

26. Municipal Finance Specialist (National, 6 person-months)

31. The Municipal Finance Specialist (National) should have a degree in business management, finance/accounting, economic business or a related discipline. He/she should have at least 5 years experience of financial management and accounting and should preferably have past experience of donor-funded projects. The Municipal Finance Specialist (National) will work closely with his/her international counterpart and will carry out the following activities, related to 1.4 – Revenue Improvement Action Plans and 1.5 – Physical Assets Management:

- Assist the international counterpart in the design and implementation of training sessions for Revenue Improvement Action Plans (RIAPs);
- Review existing O&M cost recording systems and propose ways to improve them;
- Manage training sessions introducing O&M cost analysis and cost control principles;
- Assist the international counterpart in the identification of provincial tax and non tax revenues potential;
- Assist the design and manage the implementation and analysis of willingness to pay surveys among tax and fees payers in the two towns;

- Work closely with the international counterpart and organize focus groups to produce 5-year RIAPs in both towns; bridging with performance standards to increase quality of service;
- Ensure the RIAPs include measures to make technical and administrative tasks more cost effective; and
- Assist the international counterpart in the production of a manual for preparation, implementation and monitoring of RIAPs.

27. Managed Landfill Specialist (International, 6 person-months)

32. Under the CBP, the Managed Landfill Specialist (International) will be responsible for providing on-the-job training to the permanent landfill Operator staff and Province staff. The Managed Landfill Specialist must have municipal experience of managing landfills in developing countries, providing on the job training, and design of landfills. They will be required to provide inputs during and immediately after commissioning of the 2 landfills, as well as several follow up inputs over the initial years of operation to provide assistance in the development of sound and proper operation and maintenance procedures. They will lead the preparation and implementation of 1.2 - Assistance to Managed Landfill O&M. Specific tasks include:

- Provide assistance during commissioning and production of a “snag list” of outstanding works required from the Contractor before Acceptance of the Works.
- Provide training on the importance of working within cells, daily cell use and weekly cell maintenance.
- Provide training on the correct use of vehicles on the site, movement of waste around the site and compaction.
- Training of the Gate staff in logging vehicles onto the site and recording of loads and fee collection from private vehicles.
- Monitoring of leachate production, level of leachate lagoon and methodology in pumping leachate back over the cells when close to overflow.
- Training in vehicle maintenance
- Organization of waste pickers
- Organization of waste collection from hand carts to transfer stations to compactor vehicles and open trucks.
- Overall support and follow up over a number of years to provide the best chance of success for the SWM site and service.

28. Urban Planning Specialist (International, 4 person-months)

33. The Urban Planning Specialist (International) will lead preparation and implementation of 3.1 – Strategic Local Economic Development Plans (SLEDP) Implementation. This specialist should have a degree in urban planning, urban economics or a related discipline. He/she should have at least 7 years experience of working in sustainable urban planning in South-East Asia and preferably with experience of donor-funded projects and working with the ADB.

- Work closely with both towns (DPI/PDPWT/PIUs) in reviewing the recommendations contained in the agreed SLEDPs and confirming/adjusting the project priorities contained in the Medium-Term Investment Programs as appropriate;

- Identify potential sources of government, donor agency, private sector and community led funding to implement the project priorities contained in the Medium-Term Investment Programs. This is to include communications with established donor agency and government coordination groups/committees and including ADB and MPWT;
- Where appropriate prepare pre-feasibility studies and plans in support project priority promotion;
- Work closely with DPIs and make recommendations and prepare plans for achieving “Improved Business Development Climates” and including organizational frameworks, implementation mechanisms and incentives and marketing capability;
- Based on the recommendations contained in the plans for “Improvement Business Climates”, prepare training programs and assist in the implementation of appropriate capacity building to increase marketing capability, taking into account known resource constraints at provincial and town levels; and
- Generally provide advice and training to improve capacity in urban planning and urban design related issues within the PIUs in both towns and assist in the preparation of a conceptual Green City Action Plans.

29. Urban Planner and Urban Design Specialist (National, 6 person-months)

34. The Urban Planning and Urban Design Specialist (National) will assist the Urban Planning Specialist (International) in the design and implementation of 3.1 – Strategic Local Economic Development Plans (SLEDP) Implementation. This specialist should have a degree in urban planning, urban design, architecture or a related discipline. He/she should have at least 5 years experience of working in urban planning/urban design, and preferably with experience of donor-funded projects. The Urban Planning/Urban Design Specialist (National) will carry out the following activities:

- Assist the international counterpart in reviewing the recommendations contained in the agreed SLEDPs and confirming/adjusting the project priorities contained in the Medium-Term Investment Programs as appropriate;
- Providing advice and information to assist the international counterpart in identifying potential sources of government, donor agency, private sector and community led funding to implement the project priorities contained in the Medium-Term Investment Programs;
- Where appropriate, assist the international counterpart in preparing pre-feasibility studies and plans in support project priority promotion;
- Work closely with DPIs and assist the international counterpart in making recommendations and preparing plans for achieving “Improved Business Development Climates” in and including organizational frameworks, implementation mechanisms and incentives and marketing capability;
- Based on the recommendations contained in the plans for “Improvement Business Climates”, work closely with the international counterpart in preparing training programs and managing appropriate capacity building to increase marketing capability, taking into account known resource constraints at provincial and town levels; and
- Generally provide advice and training to improve capacity in urban planning and urban design related issues within the PIUs in both towns.

E. Consulting Inputs (Summary)

35. The total consulting inputs are summarized below and including potential person-month specifications. In addition to the person-months for each package specified previously, 30 person-months (national) have been allocated for overall technical and administrative support to the overall consultancy. This technical and administrative support could include individual consultant contracts/service contracts for project accounting, external resettlement monitoring and project audit requirements.

Table 2.5: Consulting Inputs Summary

	Position	Person Months		
#	Project Management and Implementation Support, Detailed Design, Construction Supervision (Package 1)	International	National	Total
1	Team Leader / Municipal Engineer	20		20
2	Deputy Team Leader and Engineering and Procurement Specialist (x2)		38	38
3	Financial Management Specialist	6		6
4	Financial Management and Accounting Specialist		24	24
5	Project Performance Monitoring System Expert		14	14
6	Solid Waste Management Specialist	8		8
7	Solid Waste Management Specialist		12	12
8	Wastewater / Civil Engineer	8		8
9	Wastewater / Civil Engineer		12	12
10	Drainage Engineer		12	12
11	Construction Manager	12		12
12	Site Engineers (X2)		24	24
13	Environment Specialist	3		3
14	Environment Specialist		9	9
15	Resettlement Specialist	4		4
16	Resettlement Specialist		12	12
17	Social Development and Gender Specialist	4		4
18	Social Development and Gender Specialist		12	12
	Package 1 – Sub Total	65	169	234
#	Capacity Building (Package 2)	International	National	Total
19	Capacity Building and Training Specialist	6		6
20	Training Specialist		12	12
21	Community Development Specialist	4		4
22	Community Development Specialist		6	6
23	Business Management Specialist	4		4
24	Business Management Specialist		6	6
25	Municipal Finance Specialist	4		4
26	Municipal Finance Specialist		6	6
27	Managed Landfill Specialist	6		6
28	Urban Planning Specialist	4		4
29	Urban Planner and Urban Design Specialist		6	6
	Package 2 – Sub Total	28	36	64
30	Technical and Administrative Support - Sub Total		30	30

	GRAND TOTAL FOR CONSULTING SERVICES	93	235	328
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APPENDIX 3

OUTLINE OF RESETTLEMENT MONITORING REPORT

Following requirements of the ADB Safeguard Policy Statement (2009) and the Operations Manual section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. For projects categorized as A or B in Involuntary Resettlement and/or Indigenous People, the Borrowers/clients are required to submit semiannual monitoring reports for ADB review. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (IR and IP) and with the current status of project implementation phase.

This outline can be used for:

1. Periodic monitoring report (semiannual) and/or
2. RP/IPP completion report.

A safeguard monitoring report may include the following elements:

A. Executive Summary *This section provides a concise statement of project scope and impacts, key findings and recommended actions (as applicable).*

B. Background of the Report and Project Description *This section provides a general description of the project, including:*

- . Background/context of the monitoring report which includes the information on the project, project components, safeguards categorizations and general scope of the social safeguards impacts.
- . Information on the implementation progress of the project activities, scope of monitoring report and requirements, reporting period,
- . Changes in project scope, if any,
- Summary table of identified impacts and the mitigation actions.

C. Scope of Impacts *This section outlines the detail of*

- . Scale and scopes of the project impacts on involuntary resettlements or indigenous people as identified in the approved RP/IPP,
- . Adjusted safeguard measures due to changes in project scope, if applicable,
- . Vulnerability status of the affected people/communities,
- . Entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final RP(s) /IPP(s).

D. Status of RP/IPP Implementation

a. Institutional Arrangement and Capacity

This section describes the actual implementation or any adjustment made to the institutional arrangement for implementing and managing the social safeguards issues in the projects. This may include the establishment of safeguards unit/ team and appointment of staff in the EA/IA; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards issues if any; budget/fund

availability for implementing the GRM, RP/IPP; adequacy of EA/IA capacity to manage safeguards issues; updated RP/IPP implementation schedule, etc.

b. Compensation and Rehabilitation¹

1 Depending on the status of the final detail design during the submission of the report these activities might not yet started. In this situation provide the information on the project's readiness for the RP/IPP implementation and management (i.e. LAR fund availability, RP finalization, assets inventory and mapping, etc.) and the updated schedule of the compensation and rehabilitation activities, as applicable.

2 Specific for the FI projects, external agency may be required to conduct an audit of the project ESMS.

This section describes the process and progress of the implementation of the land acquisition and resettlement (LAR) and/or indigenous people (IP) impacts mitigation activities as determined in the RP/IPP. This includes payment of the affected assets compensation, allowances, loss of incomes, etc. to the entitled persons; provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan. Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided. (e.g., adequacy of IR compensation rates and timeliness of payments, adequacy and timeliness of IR rehabilitation measures including preparation of the replacement housing sites, house reconstruction, livelihood support measures, and training, etc.)

c. Disclosure and public consultation

This section describes public disclosure and consultations activities during the project's implementation as agreed in the plan. This includes final consultations with APs during RP finalization after the completion of detail design; the numbers of activities conducted; issues raised during consultations and responses provided by the project team, implementing NGOs, project supervision consultants, contractors, etc.

d. Grievance Redress Mechanism (GRM)

This section described the implementation of project GRM as design in the approved RP/IPP. The monitoring and evaluation include its readiness, effectiveness, procedures, complaints receive, timeliness to resolve issues/ complaints and adequacy of resources provided to solve the complaints. Special attentions should be given if there are complaints received from the affected people or communities.

E. Monitoring Results - Findings

This section describes the summary and key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status. It also compared against the objectives of safeguards or desired outcomes documented (e.g. IR impacts avoided or minimized; livelihood restored or enhanced; IP's identity, human right, livelihood systems and cultural uniqueness fully respected; IP not suffer adverse impacts, other social impacts avoided or minimized, etc.). For FI projects this includes the effectiveness of the Environmental and Social Management System (ESMS) managed by the FI and its participating institutions². If

noncompliance or any major gaps identified, include the recommendation of corrective action plan.

F. Compliance Status

This section will summarize the compliance status of the project activities with the loan covenants, ADB SPS (2009) on SR 2, the approved final RP(s) and the Project Administration Manual (PAM).

G. Follow up Actions, Recommendation and Disclosure

This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should also be included and, as needed, a time-bound summary table for required actions.

Appendix 1

- i. Summary of final/draft RP/IPP with entitlement matrix
- ii. Summary matrix of policy and loan covenants compliance status

Appendix 2

- i. List of Affected Persons and Entitlements
- ii. Copies of AP's certification of payment (signed by the APs)
- iii. Summary of minutes of meetings during public consultations
- iv. Summary of complaints received and solution status

APPENDIX 4

OUTLINE QUARTERLY PROGRESS REPORT FORMAT

A. Introduction and Basic Data

- ADB loan numbers, project title, borrower, executing agency(ies), implementing agency(ies);
- total estimated project cost and financing plan per loan;
- status of project financing including availability of counterpart funds by loan;
- dates of approval, signing, and effectiveness of ADB loans;
- original and revised (if applicable) ADB loan closing date and elapsed loan period based on original and revised (if applicable) loan closing dates; and
- date of last ADB review mission.

B. Utilization of Funds (ADB Loan and Counterpart Funds)

- cumulative contract awards financed by the ADB loan, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets);
- cumulative disbursements from the ADB loan and counterpart funds (expenditure to date), and comparison with time-bound projections (targets); and
- reestimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely.

C. Project Outcome and Outputs

- status of project scope/implementation arrangements compared with those in the report and recommendation of the President (RRP), and whether major changes have occurred or will need to be made;
- an assessment of the likelihood that the project outcome and outputs will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements;
- an assessment of changes to the key assumptions and risks that affect attainment of the project outcome and outputs.

D. Implementation Progress

- for each loan, provide a brief summary assessment of progress or achievements in implementation since the last progress report;
- assessment of the progress of each project output, such as,
 - recruitment of consultants and their performance;
 - procurement of goods and works (from preparation of detailed designs and bidding documents to contract awards); and
 - the performance of suppliers, manufacturers, and contractors for goods and works contracts;
- assessment of progress in implementing the overall project to date in comparison with the original implementation schedule—quantifiable and monitorable target, (include simple charts such as bar or milestone to illustrate progress, a chart showing actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules; and
- an assessment of outcome and output achievements versus targets.

E. Major Project Issues and Problems

Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of project outcome and outputs. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loan proceeds).

F. Compliance with Safeguards and Covenants

- review the borrower's compliance with policy loan covenants, and, where relevant, provide any reasons for any noncompliance or delay in compliance;
- provide a summary assessment of compliance with resettlement and environmental safeguards;
- provide a summary assessment and update on the implementation of the gender action plan (GAP).

APPENDIXES

1. Summary Loan Covenant Review
2. Summary Safeguards Update (Resettlement and Environment)
3. Summary Gender Action Plan Progress
4. Quarterly Environmental Monitoring Report
5. Quarterly Resettlement Monitoring Report

APPENDIX 5

PROCUREMENT CAPACITY AND RISK ASSESSMENT – REPORT AND RECOMMENDATIONS

Project Name:	Source of Funding: ADF
Country: Cambodia Executing Agency: Ministry of Public Works and Transportation (MPWT) Implementing Agencies: Provincial Department for Public Works and Transport in Kampot and Sihanoukville	Total Cambodia: US\$ 33.00 million Kampot: US\$ 11.30 million Sihanoukville: US\$ 11.44 million
Assessor: Leonardo M. Rodaje, International Procurement Specialist (Consultant), Em Sokchea, National Procurement Specialist (Consultant) ADB PPTA Team	Date:
Expected Procurement <i>Kampot:</i> <ul style="list-style-type: none"> • Works for the construction of wastewater Collection and Treatment plant (WWTP) • Works for the Construction of Sanitary Landfill • Works for the Construction of Urban Drainage • Services for Detailed Engineering Design and Construction Supervision (DED/CS) • Goods for WWTP (equipment), and Sanitary Landfill (heavy equipment, & garbage collection trucks) <i>Sihanoukville:</i> <ul style="list-style-type: none"> • Works for the Construction of Sanitary Landfill • Works for the Construction of Urban Drainage • Services for the detailed engineering design and construction supervision (DED/CS) • Goods for WWTP (equipment), and Sanitary Landfill (heavy equipment, & garbage collection trucks). 	
Subprojects Implementation Arrangement The Ministry of Public Works and Transport (MPWT) is the Executing Agency of the Project providing oversight implementation management, and review of the technical aspects of project implementation, and coordinates with relevant agencies at the National level, particularly the Ministry of Economy and Finance (MEF), for the required financial and procurement training supports required by the Implementing Units of the Projects. Day-to-day execution, and implementation management of subproject is devolved to Kampot and Sihanoukville provinces through their respective Project Implementation Units (PIUs). These PIUs, which will be formally established once ADB Loan is approved and becomes effective, will be responsible in undertaking all procurement preparatory activities, and subsequent management of the technical, financial, and procurement aspects of subprojects	

implementation. The PIUs will be fully staffed with personnel having qualifications in management, finance, procurement, technical, safeguards and other experts drawn from other government agencies in Kampot and Sihanoukville.

The PIUs' respective procurement unit will conduct all procurement, and recruitment activities and recommendation for award of contracts for consultants to undertake detailed engineering design and construction supervision (DED/CS), and for the procurement of civil works and goods (equipment, heavy equipment, and garbage collection trucks) for WWTP, and Solid Waste Management project, and will be the contracting agency for all project-financed contracts in accordance with the provisions of the agreed and approved PAMs under the proposed project.

Assessment of the General Procurement Environment of Cambodia

Cambodia's public procurement legal and regulatory framework (Table 88) is generally sound and very well developed and in constant evolution. The Law on procurement consented by the Cambodia Assembly on 3rd January 2012, and its implementing Royal Decree No. NS/RKM/0112/004 that governs the conduct of procurement by National, Cities and Provincial Government of Cambodia, and the 2012 Procurement Manuals Volumes 1, & 2, for all externally financed projects in Cambodia, guide the EA/IA in implementing foreign assisted projects. Significantly, section 28 of the Implementing Rules and Regulations Governing Public Procurement, also recognizes that donor rules and procedures on procurement, where it provides that, "Should there be any inconsistency or conflict between these Rules and Regulations and the methods and procedures of these foreign institutions, the latter will prevail.

Most government agencies are competent to conduct procurement according to national rules and procedures, but not necessarily so following donor/ADB Guidelines. The Ministry of Economy and Finance (MEF) is providing to line ministries, provincial, municipal, district and khan administration procurement training, and comprehensive budgeting for counterpart funds and timely transfer of these funds to the Project.

General Resource Assessment of Kampot, and Sihanoukville PIUs

The Kampot, and Sihanoukville PIUs will be formally organized once ADB Loan is approved and becomes effective. The strategy that would be taken by these participating provinces is to use the existing procurement units of the province for locally funded projects to constitute the Kampot, and Sihanoukville PIUs for ADB Projects. The PIUs will be structured to suit the implementation requirements for ADB subproject implementation. The PIUs will consist basically of four service units to include; 1) finance and accounting, 2) engineering, 3) land acquisition and resettlement, and 4) procurement and contracts administration services. The PIUs will report to the Provincial Committee chaired by the Provincial Governor (Article 6, Chapter 2 of Prakas No. 324 SHV-BrK).

Kampot PIU. The existing procurement unit comprising of five staff with qualifications in engineering, procurement and contracts administration, finance and accounting, and economics, business management are working on an ad hoc arrangement where services are called when there is procurement works to be done. The head of the procurement committee is public administration management, with over ten years of experience in Procurement and contracts management. (Table 5.2) According to the Vice Governor, additional staff will be recruited to beef up and strength capacity of PIUs if it is to be required during project implementation.

Sihanoukville PIU. The existing procurement unit of Sihanoukville, has four staff, also with qualifications in procurement and contracts management, business management, public administration, finance and accounting and is working on an ad hoc arrangement where services are called upon when there is procurement works to be done. The head of the

procurement committee is a public administration management, with over 15 years of experience in Procurement and contracts management (Table 90). According to the Governor, additional staff will be recruited to beef up the strength of the PIU if it is to be required.

The existing staff of the procurement units of Kampot and Sihanoukville had prior experience in undertaking procurement of goods, works, and recruitment of consultants following national procurement law and procedures, but not under ADB procurement guidelines and systems. Current level of skills and knowledge of generally accepted principles of public procurement is good, but would need hands-on training to achieve in-depth knowledge of ADB's Procurement Guidelines, particularly in the proper use and preparation of Bidding Documents (BDs), and Request for Proposals (RFPs) in the procurement of goods, works, and recruitment of consulting services, respectively.

The English proficiency level of the staff of Procurement units of Kampot, and Sihanoukville PIUs is limited hence interpreter, and translations work from Khmer Language to English Language would be required.

It was agreed during the PCRA meeting with the Governor, and Vice Governor of Kampot, and Sihanoukville provinces, respectively, that PIUs shall be provided with permanent office, equipped with state-of-the art computer, scanner, and photo copying machine, and internet/Wi-Fi connections within the entire duration of the ADB project. Proposed ADB project should carefully assess needs.

Kampot , and Sihanoukville PIUs Procurement Processes: Goods and Works

Kampot and Sihanoukville PIUs have good knowledge in public procurement. The Law on procurement consented by the Cambodia Assembly on 3rd January 2012, and its implementing Royal Decree No. NS/RKM/0112/004 governs the conduct of procurement by National, Cities and Provincial Government of Cambodia. The 2012 Procurement Manuals Volumes 1, & 2, for all externally financed projects in Cambodia guide the PIUs in the conduct of key bidding processes for goods and works; 1) advertisement, 2) preparation of bidding documents, 3) establishment of committee to evaluate bids, and 4) recommendation of award for approval by the Head of Procuring Agency or by the Investment Owner.

The procurement manuals, provides that NCB for nationally funded project's invitation to bid is advertised in newspaper with national circulation to invite bidders, and also specified different methods of tenderer selection with provisions for exception such as by single source selection or by direct negotiation, but these shall be used only in exceptional cases. These procurement manuals also prescribed minimum period for preparation of bids, advertisement, bid evaluation, up to recommendation of award of the lowest and responsive bid.

The bid opening is done in public immediately after the deadline for bid submission and late bids are not accepted. The minutes of bid opening are taken and signed by all members of bid opening committee and invited bidders and one copy distributed to bidders. An ad hoc evaluation committee undertakes an evaluation of bids. Under the 2012 Standard Operating Procedures, procurement staff appointed to the evaluation committee should ensure that there are no conflict of interest between evaluation of bids and the approval of contract award.

While there is close compatibility between Procurement Law of Cambodia and Cambodia's 2012 Procurement Manuals (Volumes 1, & 2), and ADB's Procurement Guidelines, however, intensive training would still be required to equip the PIUs with the necessary skills and working knowledge of ADB Procurement Guidelines to minimize implementation risk in the procurement of goods and works under the Project.

To gain intensive knowledge in ADB procurement guidelines and systems, it is recommended that procurement skills training be conducted to include but not to be limited

to:

- Selection of bidding procedure;
- Preparation of Bidding Documents, and issuance of Bidding Documents to Bidders,
- Bid Evaluation (technical and financial evaluation of proposals)
- Recommendation for award of contract
- Preparation of bid evaluation report (BER), and
- Bid Documentation.

Kampot , and Sihanoukville PIUs Procurement Processes: Consulting Services

It is to be expected that a Design, Supervision and Management Consultant (DSMC) to undertake DED, preparation of Bidding Documents, and construction supervision, will be recruited under the Project.

Procurement processes for consulting services follows same pattern, and procedure in the procurement of goods and works. Standard Request for Proposals (RFP) issued by the EAs are used for recruitment of consultants of locally funded consulting services.

Following Cambodia Law on Procurement, consulting services tenders are also advertised and expression of interest was called for in newspapers of national circulation. The procurement committee members developed evaluation criteria. The PMUs used an evaluation method similar to QCBS – a ranking by an overall score for quality and price. The technical and financial proposals are submitted in two separate envelopes. Evaluation and ranking of proposals are almost similar to ADB procedures. Minutes of the financial proposal opening are taken and signed. Face to face negotiations are held with the winning bidders. The usual basis for negotiations is cost and time of implementation. The minutes of negotiations are taken and signed and contracts are awarded within one week of the negotiations.

The PIUs have limited capacity to; 1) prepare responsive TORs, 2) preparation of ADB standard RFP, 3) development of qualification criteria, 4) proposal evaluation, 5) preparation of bids evaluation report and 6) recommendation for award of contract in accordance with ADB procurement guidelines. It has also been noted that in previous recruitment of consultants for locally funded projects, these PIUs have outsourced international Procurement and Contracts Specialist (IPCS) to assist them in the recruitment. Under this project, it is proposed that PIUs will hire one International Procurement Specialist to help them in the recruitment of consultants for the preparation of detailed engineering design, and construction supervision (DED/SC). The IPCS shall also provide hands-on training to PIUs in ADB's recruitment procedures and systems to include, but not to be limited to:

- Preparation of TORs, and in preparing consultants shortlist;
- Preparation of ADB standard RFP for issuance to Shortlisted Firms – Submission 1. Submitted to ADB for review;
- Evaluation of technical proposals and Preparing Evaluation Report – Submission 2. Submitted to ADB for review
- Ability to conduct opening and evaluation of the financial proposal(s), and recommending contract award – Submission 3. Submitted to ADB for review
- Ability of PIUs to conduct contract negotiations, and preparation of draft contract during contract negotiation, and submission of contract negotiation report with the

Negotiated, Unsigned Contract – Submission 4. Submitted to ADB for review.

- In terms of timing, it is recommended that participating PIUs hire the International Procurement and Contracts Specialist prior to Loan Signing and Loan Effectiveness, in order to help them in procuring the consultants for DED/CS.

Process Control and Oversight

As a matter of policy, all participating PIUs require all staff involved in procurement to formally commit to the standard policy of fairness and impartiality in conducting procurement, and declare any potential conflict of interest in resolving bidding protest and in recommending for award of contract. Monitoring and financial control are also planned to be established in all PIUs, to monitor procurement performance and financial disbursement and payments under the Project.

Oversight implementation support are being provided by the concerned line agencies, but needs to be reviewed in the light of the specific requirements of the proposed ADB funded Project. Under the current set-up, bidding process and recommendation of award prepared by PIUs' respective procurement unit is reviewed by Department of Public Works and Transport, and endorsed for final approval by the Governor, in his capacity as the head of the Provincial Procurement Committee. Under discussion, is the cost thresholds of the contract that will go up to the Ministry of Public Works and Transport (MPWT) at the national level for review. The MEF is also taking the leading role in the preparation of disbursement plans, and budget, and timely allocation of sufficient counterpart funds required in subproject project implementation.

Once PIUs are established, financial management and monitoring systems and reports on physical progress vs. target, and audit shall be established to ensure compliance with Loan covenants. A suitable Bank procurement supervision plan to cover project financial reporting and auditing, is also suggested

Records Keeping and Audit

PIUs stored all files of procurement documents, using a simple referencing number system, in steel cabinets and in archives to include; original contracts, bids or proposals, copies of advertisements, bids evaluation report, records on claims and dispute resolutions, and records of time taken to complete key steps in the process, comprehensive disbursement data (as required by the country's financial management system).

The PIUs retained all the procurement documentation for a minimum of 20 years, as required under national laws, while as a minimum ADB, requires that the signed original contract and the evaluation report must be retained for at least two years after project completion. Thus, Record Keeping is not an issue in the context of the current PCRA.

Summary Procurement Capacity Risk Assessment and Recommendations

The overall project risk associated with General Procurement Environment is rated as low (Table 89 and Table 90) Cambodia's 2012 Law on Bidding and its implementing rules and regulations are clear and concise, and in constant evolution. The Law covers all aspects and methods of procurement, and only permits bidding through public and open competitive selection, and the Law also recognizes that donor rules and procedures on procurement may prevail where the 'international treaty' entered into by Government is invoked in Loan Agreement. The national procurement environment machinery, particularly the MEF is providing procurement manuals, and nationwide procurement training in line with the professionalization of PIUs procurement staff. In addition, the MEF is also providing financial systems support particularly in the timely preparation of counterpart funds required in project implementation. The risk is mitigated and implementation delays are avoided if aforesaid oversight supports will have to be instituted, and executed in timely fashion under the

Project.

On the other hand, the overall project risk associated with the internal efficiency of the PMUs to implement subprojects is rated as Low to average (Table 89 and Table 90).

). This is due to; 1) PIUs' no prior experience in procurement and contract administration under ADB or similar international terms and conditions, and 2) have very little experience in implementing large works that are domestically financed. This risk could be mitigated by providing implementation support to PMUs through 1) establishment of a well-structured PIUs, which contains procurement section and to be staffed with qualified personnel, 2) intensive training on procurement and contract management, and 3) engagement of qualified procurement consultants.

Specific Recommendations, Project Implementation		
Capacity Constraint	Recommended Action	Responsibility and comment
Kampot, and Sihanoukville PIUs		
1. PIUs not being established 2. No prior experience in procurement under ADB terms and conditions, therefore can't undertake procurement immediately upon Loan approval and effectiveness. 3. Limited skills and knowledge in procurement and contracts management in accordance with ADB procurement guidelines and systems 4. Limited English proficiency to perform procurement works.	1. PIUs are established on or before Loan Fact finding Mission 2. Engage individual consultant to assist PIUs in procurement of consultant to prepare DED, and CS. 3. Intensive hands-on training on procurement and contracts management following ADB procurement guidelines and systems 4.1 Provide English language proficiency training 4.2 Provide Khmer versions of ADB procurement guidelines and Bidding Document.	1. Kampot, and Sihanoukville PIUs 2. Kampot, and Sihanoukville PIUs 3. DED consultants to provide hands-on training, supplemented with regular procurement training under the capacity building component of the Project. 4.1 PIUs to provide English Language proficiency training. 3.2 CRM to supply Khmer versions of ADB Procurement Guidelines, and Bidding Documents to PMU (if available).
General Recommendations, MPWT, Kampot, and SHV Provinces Capacity		
Capacity Constraint	Recommended Action	Responsibility and Comment
1. Limited Capacity to review Bidding Documents/RFP, recommendation for award of Contract, prepared by PIUs 2. Internal work coordination among Departments (PDPWT, DEF, DOE) is	1. Include in the procurement training and capacity building, members of Procurement Committee that reviews and approves award of Contracts. 2. Establish an inter-department (concerned with procurement) works support,	1. ADB to include this activity in the capacity building component of the Loan 2. ADB to include this as operating conditions to be incorporated in the PAM.

weak to accelerate procurement processing and implementation	and process flow system with a prescribed period of time to complete per activity.	
General Recommendations, Procurement Environment		
Capacity Constraint	Recommended Action	Responsibility and Comment
1. Procurement environment variables, such as counterpart funds, that if not managed properly, delays project implementation	1. Ensure that that counterpart fund of the Loan is incorporated in the Annual Budget, and timely releases of counterpart funds required during project implementation.	1. EA to initiate, and ensures that systems are put in place to avoid implementation delays.

APPENDICES

Appendix 5.1: Filled up Questionnaires for Assessment of the General Procurement Environment (Interview Guide)

Table 5.1: Assessment of the General Procurement Environment-Cambodia

General Procurement Environment Assessment	Risk Assessed As		
	Low	Average	High
1. Is there a procurement law? Yes, in Cambodia, we have: -Public Procurement Law of Cambodia consented by the Cambodia Assembly on 3rd March 2012 and it was put in the effective implementation by the Royal decree: No.NS/RKM/0112/004 -Government's Procurement Manual Volume I & II for all externally financed projects/programs, original version published in September 2005 and revised version published in May 2012 and put in effective implementation by the Government's sub-degree: No. 74 ANK. BK	x		
2. Are the laws and regulations clear and concise? -In overall, the Public Procurement Law is not adequate; it indicates generally, it depends on the separated manual/guideline for more detail. -Procurement Manual volume I & II is detail and clear		x	
3. What does the law (or regulations applicable to procurement) cover? -Public Procurement Law indicates generally on the procurement procedure including advertisement, preparing the standard bidding document, bid evaluation (Chapter 8, Art 37 to 52). -Procurement Manual volume I & II is detail and clear on procurement advertisement, preparing the standard bidding document, bid evaluation and contract management for goods and works.		x	
4. Does the law cover the procurement of consulting services? -Public Procurement Law indicates very general on the procurement of consulting services particularly indicates only the different method for procurement of consulting services but not detail step and procedure in each method (Chapter 5, Art 14 to 25) -Procurement Manual volume I & II also indicates only the methods procurement of consultant services but not detail step and procedure of each method such as invitation for EOI, RFP, proposal evaluation... etc. The experience so far; when the procurement of consultant service is required; the DP's consultant procurement guideline will be used.		x	
5. Does the law differentiate between processes for consulting services and Goods/Works? The public procurement law and procurement manual differentiates between processes for consulting services and Goods/Works but not detail step and procedure for procurement of consultant services.	x		
6. Does the law require advertisement of all procurement opportunities Tendering Yes, minimum information are required for advertisement in both procurement law (chapter 8, Art 38) and procurement manual	x		
7. Are contract awards advertised? Not mentioned in the public procurement law but mentioned in the procurement manual that the contract award need to be advertise on the EA's website.	x		
8. Are there restrictions on goods works and services on the basis of origin? In the public procurement law only mention about the restrictions of the bidder/service provider/contractor who in the debarment list/black list (chapter 6, Art 26 & 30) . In the procurement manual: a) if the contract financed by DP, i) the procurement of goods, works and services must follow the DP's policy on eligibility of	x		

source countries, ii). bidder/service provider/contractor who in the debarment list/black list of government and DPs. b). if the wholly RGC funded project; the only restriction is the bidder/service provider/contractor/goods who have been debarred from participation of RGC financed contract/projects/program			
9. Do the law or relevant legislation and regulations provide acceptable provision for the participation of state owned enterprises? Not mention in the public procurement law but mention in the procurement manual that the Cambodia government-owned enterprises can only participate if they are legally and financially autonomous, operate under commercial law and are not dependent agency of the Employer.	x		
10. Are there restrictions on the nationality of bidders and consulting firms invited? The same answers as Q.8 above.	x		
11. Are foreign bidders and consultants forced to offer through or with local partners? Never	x		
12. Is there a domestic preference scheme? Only for ICB	x		
13. Is there a national standard mandated for use for quality control purposes?			
14. Are any agencies exempt from the law? Some of other agency requires using their own policies/regulation for the project under their financing. The public procurement law is allowed for exceptional case of using other procurement guideline/regulation depending on financing agreement (Chapter 1, Art 3)	x		
15. Is the default method for procurement open competition? Yes	x		
16. Is open procurement easily avoided? Unless prior approval from MEF and/or DP	x		
17. Do the rules and regulations require pre-qualification? Yes, only for complex works and need to follow separated guideline issued by the MEF (Chapter 6, Art 28)	x		
18. Do the rules and regulations require registration? Yes, the Bidder are required to register with MEF for being entitle to participate the public procurement (Chapter 6, Art 27)	x		
19. Are there systematic procurement process audits? Yes, DP, National Audit Authority, Anti-Corruption Unit		x	
20. Is there a national procurement manual or guide? Yes, Procurement Manual Volume I & II	x		
21. Do the laws and regulations mandate the use of standard documents? Yes	x		
22. Have these standard bidding documents been approved for use on ADB projects? Yes, for many projects already for ICB, NCB, Shopping...etc.	x		
23. Do the regulations require the collection of nationwide statistics on procurement?			
24. Is consolidated historical procurement data available to the public? maybe available by project			x
25. Do the procurement laws and regulations contain provisions for dealing with misconduct? Yes also can be referred anti-corruption law and supreme law of Cambodia , (Chapter 12, Art 65 to 73)	x		

26. Is fraud and corruption in procurement regarded as a criminal act? Yes but no mention clear about his in the procurement law			x
27. Have there been prosecutions for fraud and corruption? Yes in other cases of Cambodia. Also the prosecution is also indicate in the public procurement law (Chapter 12, Art 65 to 73)	x		
28. Is there an alternative disputes resolution process independent of government and courts Not mention in the procurement law but in the procurement manual; it indicates that the Cambodia Chamber of Commerce can be adjudicator. Also it is recommended to use the Cambodia National Arbitration Center as the adjudicator for conflict resolution.			x
29. Does the law allow for sovereign immunity to the EA for claims against it? No	x		
30. Do the regulations allow for black listing (disbarment) of firms and individuals? Yes, all Bidders are offer equal and fair opportunity, except the Bidder who was debarred by the Court. The MEF shall debar the bidder/contractor/supplier when it determined that they breach the law/rules of public procurement. (Chapter 6, Art 26 & 30)	x		
31. Which body oversees procurement? The Ministry of Economic and Finance (MEF) with assistant from the Department of Public Procurement has authority to manage the public procurement and prepare any procurement guideline/regulation/manual (Chapter 2, Art 5 & 6).	x		
32. What powers does the oversight body have? MEF has authorities to manage the public procurements, prepare rules and regulation and authority to implement the law of public procurement (Chapter 2, Art 5 & 6).	x		
33. Is there a nationwide procurement-training plan? Several procurement training course conducted for government staff by MEF, ADB and WB.	x		
34. Is there a procurement accreditation or professionalization program? The schedule for quarterly procurement clinic is existed facilitated by ADB and WB.	x		
35. Are major projects identified within an agencies appropriation or budget? Yes	x		
36. Is the procurement cycle tied to an annual budgeting cycle? Yes (Chapter 7, Art 31)	x		
37. Once an appropriation or budget is approved will funds be placed with the EA or can the EA draw them down at will? Yes			
38. Can an EA draw directly from a loan or impress account or will it spend budgeted funds with the borrower claiming reimbursement?			
39. When an EA is implementing a project using funds from the national budget has a delay in funding significantly delayed procurement?			

Appendix 5-2. Filled up Procurement Capacity Assessment Questionnaires

Table 5.2: Procurement Capacity Assessment (PCA) of Kampot PMU
(Interview Questionnaires Guide)

Part A. General Agency Resource Assessment	
A.1. Is there a procurement department?	Yes-Procurement Unit and provincial procurement committee. Note: according to the new Prakas No. 249 SHV.BrK dated 3 March 2015 of MEF; soon each relevant department will be required to form the procurement team to undertake the procurement in their own departments.
A.2. What procurement does it undertake?	Works, Goods and Service
A.3. Are staff provided with written job descriptions?	Yes, Roles and Responsibilities indicated in the Prakas No. 324 SHV-BrK dated 1 April 2013
A.4. How many years experience does the head of the procurement unit have in a direct procurement role?	More than 10 years experiences and he is a former staff of provincial department of economic and finance.
A.5. How many staff in the procurement department are: i. Full Time? ii. Part Time? iii. Seconded?	Procurement Unit: there are 5 staff: -Chief of unit: 1 -Deputy Chief: 2 -Officer: 2 They all full time staff. Provincial Procurement Committee: -Provincial Governor: Chief -Deputy Provincial Governor: Vice Chief -Director of Provincial Department of Economy and Finance (DEF): Vice Chief -Members of Provincial Council: Member (2 persons) -Chief of Procurement Unit: Secretary
A.6. At what level does the department report (to head of agency, deputy)	Provincial Governor/Procurement Committee
A.7. Do the staff that will be involved with the procurement has English language skills sufficient to undertake international procurement?	Not enough English language skill to undertake to international procurement.
A.8. Is the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	The procurement unit staff has enough capacity to undertake the additional procurement but need technical assistance from relevant department and the consultant.

A.9. Does the unit have adequate facilities such as PCs, internet connections, photocopy facilities, printers etc., to undertake the additional procurement that will be required under the proposed project	Yes, Procurement unit has its own facilities such computer, furniture, photocopy, printers, motorbike, office,...etc
A.10. Is there a procurement-training program?	So far the MEF and ADB arranged the training course on procurement often for procurement unit staff.
Part B. Agency Procurement Processes, Goods, and Works	
B.1. Has the agency had undertaken foreign assisted procurement of goods or works recently (last 12 months, or last 36 months)?	Only undertake the procurement of the national budget
B.2. If the above is yes, what were the major challenges?	Procurement Unit is facing many risks and big responsible to the governor.
B.3. Is there a procurement process manual for goods and works?	Yes, using the Implementation Rules and Regulations Governing Public Procurement manual
B.4. If there is a manual, is it up to date and does it cover foreign assisted procurement?	Yes, it is up to date but it covers only the procurement for national budget.
B.5. Is there a systematic process to identify procurement requirements (1 year or more)	Prepare yearly procurement plan
B.6. Who drafts the specifications?	The relevant departments prepare the technical specification that related to their respective technical expertise.
B.7. Who approves the specifications?	Provincial Governor approve specification
B.8. Are there standard bidding documents in use and have they been approved for use on ADB funded projects	There is no standard bidding document for ADB funded project at the provincial level.
B.9. Who drafts the bidding documents	Procurement Unit drafts the bidding document.
B.10. Who manages the sale of the document	Procurement Unit manages the sales of the bidding document (price of bidding document is 440,000 riels around 110 USD for bidding method but the bidding document for shopping and quotation method are free of charge)
B.11. Are all queries from bidders replied to in writing?	Any question from Bidders in regards to bidding will be replied through phone or verbal, never do in writing.
B.12. Is there a minimum period for preparation of bids and if yes how long?	The average is from 1 to 2 days because mostly following the standard format from previous project.
B.13. Does bidding document state the date and time of opening and how close is it to the deadline for submission?	Yes, date and time of bid opening is clear stated in the bidding document. The bid is opened immediately after the deadline of bid submission.
B.14. Is the opening public?	Yes, the bid is opened publicity

B.15. Can late bids are accepted?	No, never
B.16. Can bids are rejected at bid opening?	Never reject bid during bid opening, bid will be rejected base on the result of evaluation.
B.17. Are minutes taken	Yes,
B.18. Who may have a copy of the minutes?	The minutes of bid opening never distribute to the bidders because the bidder already took notes during the bid opening.
B.19. Are the minutes free of charge?	N/A
B.20. Who undertakes the evaluation (individual(s), permanent committee, ad-hoc committee)	The procurement unit prepare the bid evaluation
B.21. What is the qualifications of the evaluators in respect to procurement and the goods and works under evaluation?	Working with procurement unit
B.22 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	The procurement committee will make the final decision and approval on the evaluation. The procurement unit only prepares the evaluation.
B.23. Using at least three real examples of how between the issues of the invitation for bids and contract effectiveness?	There are 3 methods this manual, Bid, shopping and quotation. The duration between the issues of the invitation for bids and contract effectiveness is: For bidding is not later than 80 days, shopping is not later than 52 and quotation is not later than 17 days
B.24. Are processes in place for the collection and clearance of cargo through ports of entry?	No experience with this
B.25. Are there established goods receiving procedures	If the procurement of goods; supplier will deliver goods to the relevant department who will use the goods.
B.26. Are all goods received recorded as assets or inventory in a register or similar?	Yes, after procurement; the relevant department who received the goods will record them in the asset inventory.
B.27. Is the agency/procurement department familiar with letters of credit?	Not familiar with this.
B.28. Does the procurement departments registers and track warranty and latent defects liability periods?	The warranty and defect liability period is stated in the contract document.
Part C. Agency Procurement Processes, Consulting Services	
C.1. Has the agency had undertaken foreign assisted procurement of consulting services recently (last 12 months, last 36 months)?	Only undertake procurement of Service Provider (not consultant service) using the national budget. The experiences so far; undertaken the procurement to select the services providers for repairing IT equipment (computer, printer, photocopy...etc) and repairing the vehicles.
C.2. If the above is yes what were the major challenges?	Lack of technical skill on the relevant services

C.3. Is there a procurement process manual for consulting services procurement?	Yes, the method for procurement of consultant services were described in the manual but never use it. Only the procurement method for service provider selection has been used.
C.4. Is the manual up to date and does it cover foreign assisted projects?	The manual is up to date but for only national budget.
C.5. Who identifies the need for consulting services requirements?	The relevant departments will identify the services that they need for their own department.
C.6. Who drafts the ToR	The relevant department who need the service provider
C.7. Do the ToR follows a standard format such as background, tasks, inputs, objectives, and outputs?	Yes, it is a standard format
C.8. Who prepares the request for proposals?	No request for proposal, it is an invitation for bid
C.9. Are assignments advertised and expressions of interest called for?	Only one stage procurement, invitation for bid.
C.10. Is a consultants' selection committee formed with appropriate individuals in terms of procurement and technical expertise?	Only one provincial procurement committee for all procurement works, goods and service providers.
C.11. What is the criteria to evaluate EOIs?	No, EOI but it is Bid. The evaluation criteria is legal status, experiences and bid price.
C.12. Historically what is the most common method used (QCBS, QBS, etc.)	Service provider selection method as indicate in the manual.
C.13. Do firms have to pay for the proposal document	Yes, 400,000 riels around 110\$ per bid document for only bidding method. the bid document for shopping and quotation method is free of charge.
C.14. Does the evaluative criteria follow a pre-determined structure and is it detailed in the RFP?	Yes, follow the criteria state in the bid document.
C.15. Are pre-proposal visits and meetings arranged?	No, never do
C.16. Are minutes prepared and circulated after pre-proposal meetings?	n/a
C.17. To who is the minutes distributed?	n/a
C.18. Are all of the queries from consultants answered to in writing?	The questions can be asked and the procurement unit clarified through or verbal. Never do in writing.
C.19. Are financial and technical proposals in separate envelopes?	Just one envelop for bid. Not use the term of financial and technical proposal.
C.20. Are proposal securities required?	Bid Security with at least 2% of bid price.
C.21. Are technical proposals opened in public?	Yes, the bid is opened publicity.

C.22. Do the financial proposals remain sealed until technical evaluation is completed?	n/a
C.23. Are minutes of technical opening distributed?	Minute of bid opening is prepared but never distribute because the bidder take their own notes during bid opening.
C.24. Who determines the final technical ranking and how?	The procurement unit will evaluate and determined the ranking base on criteria and price.
C.25. Are the technical scores published and sent to all firms?	No scoring system for service provider selection method. Just select the qualified bidder with low bid price. After the evaluation is approved. The notification will send to bidder in writing just to inform who is the winning bidder but no information about ranking or rejection will be provided.
C.26. Is the financial proposal opening public?	n/a
C.27. Are there minutes taken and distributed of financial proposal opening?	n/a
C.28. How is the financial evaluation completed?	n/a
C.29. Are face-to-face contract negotiations held?	Yes, the bidder will invite for face to face contract negotiation.
C.30. How long after financial evaluation is the selected firm to negotiate?	10 days
C.31. What is the usual basis for negotiation?	The negotiation will be focus on: -If any small document or information missing -Negotiate on price if the bid price of any item is not appropriate and not acceptable
C.32. Are minutes of negotiation taken and signed?	yes
C.33. How long after negotiations until the contract is signed?	10 days
C.34. Are advance payments made?	No advance payment allowed.
C.35. Is there an evaluation system for measuring the outputs of consultants?	The relevant department
Part D. Process and Oversight Control	
D.1. Is there a standards statement of ethics and are those involved in procurement required to formally commit to it?	Yes. there has a standard format and all relevant person need to sign on it.
D.2. Are those involved with procurement required to declare any potential conflict of interest and removed them from the procurement process?	Yes, required but there was no this case so far.

D.3. Is the commencement of procurement dependent on external approvals (formal or de-facto) outside of the budgeting process?	Only wait when the budget plan is approved
D.4. Who approves procurement transactions and do they have procurement experience and qualifications?	The provincial procurement committee approves the procurement transactions. The procurement committee members have more experience on management but can understand the procurement tasks
D.5. Which of the following actions requires approval outside of the procurement unit or a permanent evaluation committee and who grants the approval? a) Bidding document, invitation to prequalify or request for proposal b) Advertisement of an invitation for bids, pre-qualification or call for expressions of interest c) Evaluation of reports d) Notice of award e) Invitation to consultants to negotiate f) Contracts	a).approve by provincial procurement committee or MEF b).approve by provincial procurement committee or MEF c).approve by provincial procurement committee or MEF d).approve by provincial procurement committee or MEF e).approve by provincial procurement committee or MEF f). approve by provincial procurement committee or MEF -For relevant departments' budget, < 200 million riels around USD 50000 the procurement transaction will be approved by provincial procurement committee and if > 200 million riels will be approved by MEF. -For provincial budget , < 300 million riels around USD 50000 the procurement transaction will be approved by provincial procurement committee and if > 300 million riels will be approved by MEF.
D.6. Is contractual performance systematically monitored and reported upon?	Yes, part of contract management.
D.7. Does the agency monitor and track its contractual payment obligations?	Yes, part of contract management.
D.8. On average how long is it between receiving a firm's invoice and making payment?	In the manual stated that no longer 45 days but the do not know in actual practice because payment will be made by provincial treasurer.
D.9. What is the standards period for payment included in contracts?	Yes, the standard period of payment is depend on the agreement between the supplier/bidder and provincial governor when they sign the contract. but normally as below: -Small contract: payment just one time after the work completion -Medium contract: 2 times payment (60% and 40%) -Big contract: 3 times payment (40%, 30% and 30%)
D.10. When payment is made late are beneficiaries paid interest?	Yes, 0.1% of contract price per day but never happened so far.
D.11. Are payments authorized by the same individuals empowered to approve invitation documents, evaluations and contracts?	The governor or MEF (depending on the contract volume) authorizes the contract and payment but the procurement committee approve bidding document, evaluation.
D.12. Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Many audited institution involve in auditing the procurement works so far including the National Audit Authority, Internal Auditor of MEF, the Public Procurement

	Department of MEF and the Internal Auditor from Ministry of Communication with Parliament and Senate. And these agencies need different format of reports which created more work for procurement unit.
D.13. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes, everything have been records
D.14. Is there a formal non-judicial mechanism for dealing with complaints	Lawyer or adjudicator
D.15. Is a complaints mechanism described in national procurement documents?	Not clear, some they can complaint to Anti-Corruption unit and some to journalist.
Part E. Records Keeping	
E.1. Is there a referencing system for procurement files?	Yes, before filling by relevant departments now filing by type of procurement (construction, goods and services)
E.2. Are original contracts secured in a fire and theft proof location?	Yes, keep it in filing in the procurement unit office
E.3. Are copies of bids or proposals retained with the evaluation?	Yes, all bid document retain with evaluation
E.4. Are copies of the original advertisements retained with the pre-contract papers?	yes
E.5. Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes
E.6. Are copies of invoices included with contract papers?	Yes.
E.7. For what period are records kept?	10 to 15 years

Table 5.3: Procurement Capacity Assessment (PCA) of Sihanoukville PMU

(Interview Guide)

Part A. General Agency Resource Assessment	
A.1. Is there a procurement department?	<p>Yes-Procurement Unit and provincial procurement committee.</p> <p>Note: according to the new Prakas No. 249 SHV.BrK dated 3 March 2015 of MEF; soon each relevant department will be required to form the procurement team to undertake the procurement in their own departments.</p>
A.2. What procurement does it undertake?	Works, Goods and Service
A.3. Are staff provided with written job descriptions?	Yes, Roles and Responsibilities indicated in the Prakas No. 324 SHV-BrK dated 1 April 2013
A.4. How many years experience does the head of the procurement unit have in a direct procurement role?	More than 5 years experiences and he is a former staff of provincial department of economic and finance.
A.5. How many staff in the procurement department are: i. Full Time? ii. Part Time? iii. Seconded?	<p>Procurement Unit: there are 4 staff: -Chief of unit: 1 -Deputy Chief: 2 -Officer: 1 They all full time staff.</p> <p>Provincial Procurement Committee: -Provincial Governor: Chief -Deputy Provincial Governor: Vice Chief -Director of Provincial Department of Economy and Finance (DEF): Vice Chief -Members of Provincial Council: Member (2 persons) -Chief of Procurement Unit: Secretary</p>
A.6. At what level does the department report (to head of agency, deputy)	Provincial Governor/Procurement Committee
A.7. Do the staff that will be involved with the procurement has English language skills sufficient to undertake international procurement?	Experience with only Khmer language. Not enough English language skill

A.8. Is the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes, able to undertake the additional procurement but need support from the consultant.
A.9. Does the unit have adequate facilities such as PCs, internet connections, photocopy facilities, printers etc., to undertake the additional procurement that will be required under the proposed project	Yes, Procurement unit has its own facilities such computer, furniture, photocopy, printers, motorbike, office,...etc
A.10. Is there a procurement-training program?	Yes, training course often organized by the MEF.
Part B. Agency Procurement Processes, Goods, and Works	
B.1. Has the agency had undertaken foreign assisted procurement of goods or works recently (last 12 months, or last 36 months)?	No, only for the national budget.
B.2. If the above is yes, what were the major challenges?	The challenges in the procurement using national budget is need to wait the approval on budget plan which is always delayed.
B.3. Is there a procurement process manual for goods and works?	Yes, the Implementation Rules and Regulations Governing Public Procurement.
B.4. If there is a manual, is it up to date and does it cover foreign assisted procurement?	No, use only for national budget.
B.5. Is there a systematic process to identify procurement requirements (1 year or more)	Yes, prepare yearly procurement plan
B.6. Who drafts the specifications?	The relevant departments prepare the technical specification.
B.7. Who approves the specifications?	Provincial Governor approve specification
B.8. Are there standard bidding documents in use and have they been approved for use on ADB funded projects	No, never use standard bidding document for ADB funded project at the provincial level.
B.9. Who drafts the bidding documents	Procurement Unit drafts the bidding document.
B.10. Who manages the sale of the document	Procurement Unit manages the sales of the bidding document (price of bidding document is 25 USD for bidding method but the bidding document for shopping and quotation methods are free of charge)

B.11 Are all queries from bidders replied to in writing?	Bidder always ask question through phone or verbal, so the replies were also through phone or verbal.
B.12. Is there a minimum period for preparation of bids and if yes how long?	average is one week
B.13. Does bidding document state the date and time of opening and how close is it to the deadline for submission?	Yes, date and time of bid opening is clear stated in the bidding document. The bid is opened immediately after the deadline of bid submission.
B.14. Is the opening public?	Yes, the bid is opened publicity
B.15. Can late bids are accepted?	No, never
B.16. Can bids are rejected at bid opening?	Never reject bid during bid opening, bid will be rejected base on the result of evaluation.
B.17. Are minutes taken	Yes,
B.18. Who may have a copy of the minutes?	The minutes of bid opening never distribute to the bidders because the bidder already took notes during the bid opening.
B.19. Are the minutes free of charge?	N/A
B.20. Who undertakes the evaluation (individual(s), permanent committee, ad-hoc committee)	The procurement unit prepare the bid evaluation
B.21. What is the qualifications of the evaluators in respect to procurement and the goods and works under evaluation?	Working with procurement unit
B.22 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	The procurement unit prepare the evaluation and the evaluation will be approved by provincial procurement committee
B.23. Using at least three real examples of how between the issues of the invitation for bids and contract effectiveness?	There are 3 methods this manual, Bid, shopping and quotation. The duration between the issues of the invitation for bids and contract effectiveness is: For bidding is not later than 80 days, shopping is not later than 40 and quotation is not later than 17 days
B.24. Are processes in place for the collection and clearance of cargo through ports of entry?	No experience with this

B.25. Are there established goods receiving procedures	If the procurement of goods; supplier will deliver goods to the relevant department who will use the goods.
B.26. Are all goods received recorded as assets or inventory in a register or similar?	Yes, after procurement; the relevant department will record all equipment in the asset inventory.
B.27. Is the agency/procurement department familiar with letters of credit?	Not familiar with this.
B.28. Does the procurement departments registers and track warranty and latent defects liability periods?	The warranty and defect liability period is stated in the contract document.
Part C. Agency Procurement Processes, Consulting Services	
C.1. Has the agency had undertaken foreign assisted procurement of consulting services recently (last 12 months, last 36 months)?	Only undertake procurement of Service Provider (not consultant service) using the national budget. The experiences so far; undertaken the procurement to select the services providers for repairing IT equipment (computer, printer, photocopy...etc) and repairing the vehicles.
C.2. If the above is yes what were the major challenges?	Hard to find the big service provider to provide the such services as mentioned above.
C.3. Is there a procurement process manual for consulting services procurement?	Yes, the method for procurement of consultant services were described in the manual but never use it. Only the procurement method for service provider selection has been used.
C.4. Is the manual up to date and does it cover foreign assisted projects?	The manual is up to date but for only national budget.
C.5. Who identifies the need for consulting services requirements?	The relevant departments will identify the services that they need for their own department.
C.6. Who drafts the ToR	The relevant department who need the service provider
C.7. Do the ToR follows a standard format such as background, tasks, inputs, objectives, and outputs?	Yes, it is a standard format
C.8. Who prepares the request for proposals?	No request for proposal, it is an invitation for bid
C.9. Are assignments advertised and expressions of interest called for?	Only one stage procurement, invitation for bid.
C.10. Is a consultants' selection committee formed with appropriate individuals in terms of procurement and technical expertise?	Only one provincial procurement committee for all procurement works, goods and service providers.

C.11. What is the criteria to evaluate EOIs?	No, EOI but it is Bid. The evaluation criteria is legal status, experiences and bid price.
C.12. Historically what is the most common method used (QCBS, QBS, etc.)	Service provider selection method as indicate in the manual.
C.13. Do firms have to pay for the proposal document	Yes, 25\$ per bid document for only bidding method. the bid document for shopping and quotation method is free of charge.
C.14. Does the evaluative criteria follow a pre-determined structure and is it detailed in the RFP?	Yes, follow the criteria state in the bid document.
C.15. Are pre-proposal visits and meetings arranged?	No, never do
C.16. Are minutes prepared and circulated after pre-proposal meetings?	n/a
C.17. To who is the minutes distributed?	n/a
C.18. Are all of the queries from consultants answered to in writing?	The questions can be asked and clarified through or verbal. Never do in writing.
C.19. Are financial and technical proposals in separate envelopes?	Just one envelop for bid. Not use the term of financial and technical proposal.
C.20. Are proposal securities required?	Bid Security with at least 2% of bid price.
C.21. Are technical proposals opened in public?	Yes, the bid is opened publicity.
C.22. Do the financial proposals remain sealed until technical evaluation is completed?	n/a
C.23. Are minutes of technical opening distributed?	Minute of bid opening is prepared but never distribute because the bidder take their own notes during bid opening.
C.24. Who determines the final technical ranking and how?	The procurement unit will evaluate and determined the ranking base on criteria and price.
C.25. Are the technical scores published and sent to all firms?	No scoring system for service provider selection method. Just select the qualified bidder with low bid price. After the evaluation is approved. The notification will send to bidder in writing just to inform who is the winning bidder but no information about ranking or rejection will be provided.
C.26. Is the financial proposal opening public?	n/a

C.27. Are there minutes taken and distributed of financial proposal opening?	n/a
C.28. How is the financial evaluation completed?	n/a
C.29. Are face-to-face contract negotiations held?	No contract negotiation is required
C.30. How long after financial evaluation is the selected firm to negotiate?	n/a
C.31. What is the usual basis for negotiation?	n/a
C.32. Are minutes of negotiation taken and signed?	n/a
C.33. How long after negotiations until the contract is signed?	n/a
C.34. Are advance payments made?	No advance payment is allowed
C.35. Is there an evaluation system for measuring the outputs of consultants?	After bidder submits the payment request; procurement committee will check the progress to see if it is satisfy for payment.
Part D. Process and Oversight Control	
D.1. Is there a standards statement of ethics and are those involved in procurement required to formally commit to it?	Yes. there has a standard format and all relevant person need to sign on it.
D.2. Are those involved with procurement required to declare any potential conflict of interest and removed them from the procurement process?	Yes, required but there was no this case so far.
D.3. Is the commencement of procurement dependent on external approvals (formal or de-facto) outside of the budgeting process?	Only wait when the budget plan is approved
D.4. Who approves procurement transactions and do they have procurement experience and qualifications?	The provincial procurement committee approves the procurement transactions. The procurement committee members have more experience on management but can understand the procurement tasks
D.5. Which of the following actions requires approval outside of the procurement unit or a permanent evaluation committee and who grants the approval? a) Bidding document, invitation to prequalify or request for proposal	a).approve by provincial procurement committee or MEF b).approve by provincial procurement committee or MEF

b) Advertisement of an invitation for bids, pre-qualification or call for expressions of interest c) Evaluation of reports d) Notice of award e) Invitation to consultants to negotiate f) Contracts	c).approve by provincial procurement committee or MEF d).approve by provincial procurement committee or MEF e).approve by provincial procurement committee or MEF f). approve by provincial procurement committee or MEF -For relevant departments' budget, < 200 million riels around USD 50000 the procurement transaction will be approved by provincial procurement committee and if > 200 million riels will be approved by MEF. -For provincial budget , < 300 million riels around USD 50000 the procurement transaction will be approved by provincial procurement committee and if > 300 million riels will be approved by MEF.
D.6. Is contractual performance systematically monitored and reported upon?	Yes, part of contract management.
D.7. Does the agency monitor and track its contractual payment obligations?	Yes, part of contract management.
D.8. On average how long is it between receiving a firm's invoice and making payment?	In the manual stated that no longer 45 days but the do not know in actual practice because payment will be made by provincial treasurer.
D.9. What is the standards period for payment included in contracts?	No longer 45 days in the manual
D.10. When payment is made late are beneficiaries paid interest?	Yes, 0.1% of contract price per day but never happened so far.
D.11. Are payments authorized by the same individuals empowered to approve invitation documents, evaluations and contracts?	The governor authorizes the contract and payment but the procurement committee approve bidding document, evaluation.
D.12. Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Many audited institution involve in auditing the procurement works so far including the National Audit Authority, Internal Auditor of MEF, the Public Procurement Department of MEF and the Internal Auditor from Ministry of Communication with Parliament and Senate. And these agencies need different format of reports which created more work for procurement unit.
D.13. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes, everything have been records

D.14. Is there a formal non-judicial mechanism for dealing with complaints	Lawyer or adjudicator
D.15. Is a complaints mechanism described in national procurement documents?	Not sure
Part E. Records Keeping	
E.1. Is there a referencing system for procurement files?	Yes, the filling by relevant departments
E.2. Are original contracts secured in a fire and theft proof location?	Yes, keep it in filing in the procurement unit office
E.3. Are copies of bids or proposals retained with the evaluation?	Yes, all bid document retain with evaluation
E.4. Are copies of the original advertisements retained with the pre-contract papers?	yes
E.5. Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes
E.6. Are copies of invoices included with contract papers?	Yes.
E.7. For what period are records kept?	10 to 15 years

APPENDIX 6

INSTITUTIONAL ARRANGEMENTS FOR ENVIRONMENTAL SAFEGUARDS

The following institutions are the key players to ensure project compliance with the applicable environmental safeguards and/or requirements:

1. The PSC will be responsible for project coordination and providing policy guidance. It will be responsible for deciding on environmental management matters that will require action from the senior-management level.
2. The PMU/PIUs will be responsible for ensuring environmental safeguard compliance, in particular for incorporating the mitigation measures set out in the EMP into the detailed engineering design of the subcomponents, as well as in the bid documents and construction contract documents. It will ensure adequate resources are allocated and are timely disbursed to process the necessary environmental assessment activities such as engaging a registered/qualified firm to prepare environmental reports in compliance with national/government EIA/environmental requirements; to monitor EMP implementation; and, to undertake the environmental monitoring activities required from the executing agency in the Environmental Monitoring Plan. The PIUs will commission additional analysis, undertake environment-related investigations that maybe required during implementation, and respond to environment or nuisance-related complaints from residents or businesses affected by the project works.

Specifically, the environment safeguard tasks of the PMU/PIUs are as follows:

- a. Update EMPs during detailed design and engineering, and ensure that contractors prepare their respective site-specific plans (i.e., CEMP) based on the EMPs and the actual site conditions.
- b. Procure the applicable environmental approval/s and/or permit/s from the relevant government agencies prior to bidding process.
- c. Ensure that the environmental safeguards (e.g., inclusion of updated EMPs) are adequately addressed in the bidding documents (instruction to bidders), and in the evaluation criteria for awarding contracts.
- d. Oversee the implementation of the safeguards of updated EMPs relating to construction phase activities including handling of construction spoil and waste, water and air quality protection, public nuisance impacts (noise, dust, traffic, blocked areas, workers and camps), and public safety. Review, monitor and evaluate the effectiveness of the implemented CEMPs, and recommend necessary corrective actions.
- e. Coordinate with relevant government agencies on regulatory compliance issues (e.g. climate resilience standards and guidelines and noise and dust from construction sites).
- f. Prepare TOR for nationally-recognized monitoring institute for conducting laboratory analyses for the monitoring plans for the EMPs.
- g. Advise the PSC on environment-related concerns arising during project construction, and recommend corrective measures.

- h. Ensure timely disclosure of final IEE and EMP in locations and form/format accessible to the public. Conduct follow-up consultations and interviews with local residents to identify concerns or grievances arising during construction. Address, record, and report on any grievances brought about through the Grievance Redress Mechanism in a timely manner.
- i. Disseminate to stakeholders the results of environment quality monitoring and implementation of safeguards, especially among households or small businesses near the civil construction works.
- j. Prepare quarterly status report on environment and public safety protection to be submitted (through the PMU director) to the PSC and submit semi-annual environmental monitoring report to ADB.

The PMU is also responsible for ensuring that the Project is implemented in accordance with the applicable government regulations with regards to the environmental safeguards. A full-time Environmental Engineer should be appointed from the PIUs who will oversee and monitor the implementation of subproject EMPs.

- 3. The Project Implementation Support and Capacity Building (PISCB) Consultant team will have an Environmental Specialist who will provide technical advice, guidance support and “hands-on training” to the PMUs, particularly its Environmental Engineer, in project/subproject environmental management during project implementation. The Specialist will also provide technical assistance and guidance in overall environmental safeguards compliance including monitoring CEMP implementation, evaluation of monitoring reports submitted by contractors/IAs, preparation of semi-annual monitoring report to be submitted to ADB, monitoring compliance with applicable government requirements, recommending corrective measures/actions,
- 4. ADB will approve any necessary IEE revision and/or EMP updating. It will review environmental monitoring reports and undertake missions to review the environmental performance of the Project.

APPENDIX 7

SUMMARY OF CLIMATE CHANGE ASPECTS AND COSTS

The results of AWARE¹ were considered in the preparation of the IEE Reports. In Cambodia, the AWARE results had a rating of HIGH for the subprojects in the country. In this connection, a *Climate Vulnerability and Risk Assessment (CVRA)* has been incorporated in the IEEs, which also includes discussions on GHG emissions.

Cost attribution for climate change was estimated. Additional costs for civil works that may be attributed to climate change arise from the need to construct a retaining wall around the wastewater treatment plant in Kampot to provide additional flood protection, and from the sizing of road drainage in both Kampot and Sihanoukville to allow for future rainfall increases. There are also costs associated with the time spent by key experts (environmental, wastewater, conservation, training and solid waste management specialists) to integrate climate change considerations into the detailed design and capacity building activities. In sum, these costs (and associated contingencies) amount to about **US\$ 1 million of the ADB loan of US\$ 33 million (~3%)**. All of this cost is attributed to climate change adaptation. Additional costs associated with climate change mitigation are considered negligible.

¹ AWARE for Projects is an online tool used by ADB project teams to screen projects for climate risks. The tool uses data from 16 general circulation models, as well as databases on temperature increase, wildfire, permafrost, sea ice, water availability, precipitation change, flooding, snow loading, tropical storms, and landslides. For each project screened, the tool generates an overall climate risk ranking of low, medium, or high; key risk areas; and narratives on potential impacts and adaptive measures to guide subsequent activities

APPENDIX 8

LIST OF RRP LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=XXXXX-XX-3>

1. Loan Agreement
2. Sector Assessment (Summary): Urban Development and Water
3. Project Administration Manual – (This document)
4. Contribution to the ADB Results Framework
5. Development Coordination
6. Financial Analysis
7. Economic Analysis
8. Country Economic Indicators
9. Summary Poverty Reduction and Social Strategy
10. Gender Action Plan
11. Initial Environmental Examination and Environmental Management Plans
12. Resettlement Plan
13. Risk Assessment and Risk Management Plan

Supplementary Documents

14. Summary of Investment Components
15. Participation Plan
16. Summary on Climate Change
17. Economic Analysis—Supplementary Tables