

Greater Mekong Subregion
Southern Coastal Corridor Project
(Cambodia):

Advisor's Report on
Asian Development Bank
Pre-Appraisal Mission

April 2007

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1. Introduction

The Asian Development Bank's (ADB's) Greater Mekong Subregion (GMS) economic cooperation program is one of the more prominent vehicles for pursuing sub-regional integration in its sphere of influence. The success of the GMS program has been built on infrastructure development in transport, telecommunications and energy. The GMS Southern Coastal Corridor (GMS-SCC) is one of eleven high-priority subregional road projects that were identified in a Subregional Transport Sector Study completed in 1994 as being needed to facilitate cross-border trade and support economic development in the GMS countries. It links Bangkok in Thailand to Ca Mau in Vietnam via Cambodia. There is 291 km of the GMS-SCC in Cambodia, as indicated in Table 1.1.

Table 1.1: Roads comprising the GMS-SCC in Cambodia

From – To	National Road (NR) No.	Condition	Length (km)
Cham Yeam (Thailand-Cambodia Border) – Koh Kong		1,900m bridge completed in 2003 as private sector project connects border to Koh Kong	10
Koh Kong – NR48/NR4 Junction	NR48	Being improved with Thailand assistance. Four private ferry crossing will be replaced with bridges with a grant from Thailand	138
NR48/N4 Junction – Veal Rinh	NR4	Improved in 1994 with USAID assistance	40
Veal Rinh – Kampot	NR3	Sections being improved with current Korea assistance, and previously with World Bank assistance.	52
Kampot – Kampong Trach	NR33	Sections rehabilitated in 2002-04 with World Bank assistance	36
Kampong Trach – Preak Chak (Cambodia – Viet Nam Border)	NR33	Unsealed road requires improvement under SCCP. New border facility required on Cambodia side	15
Total			291

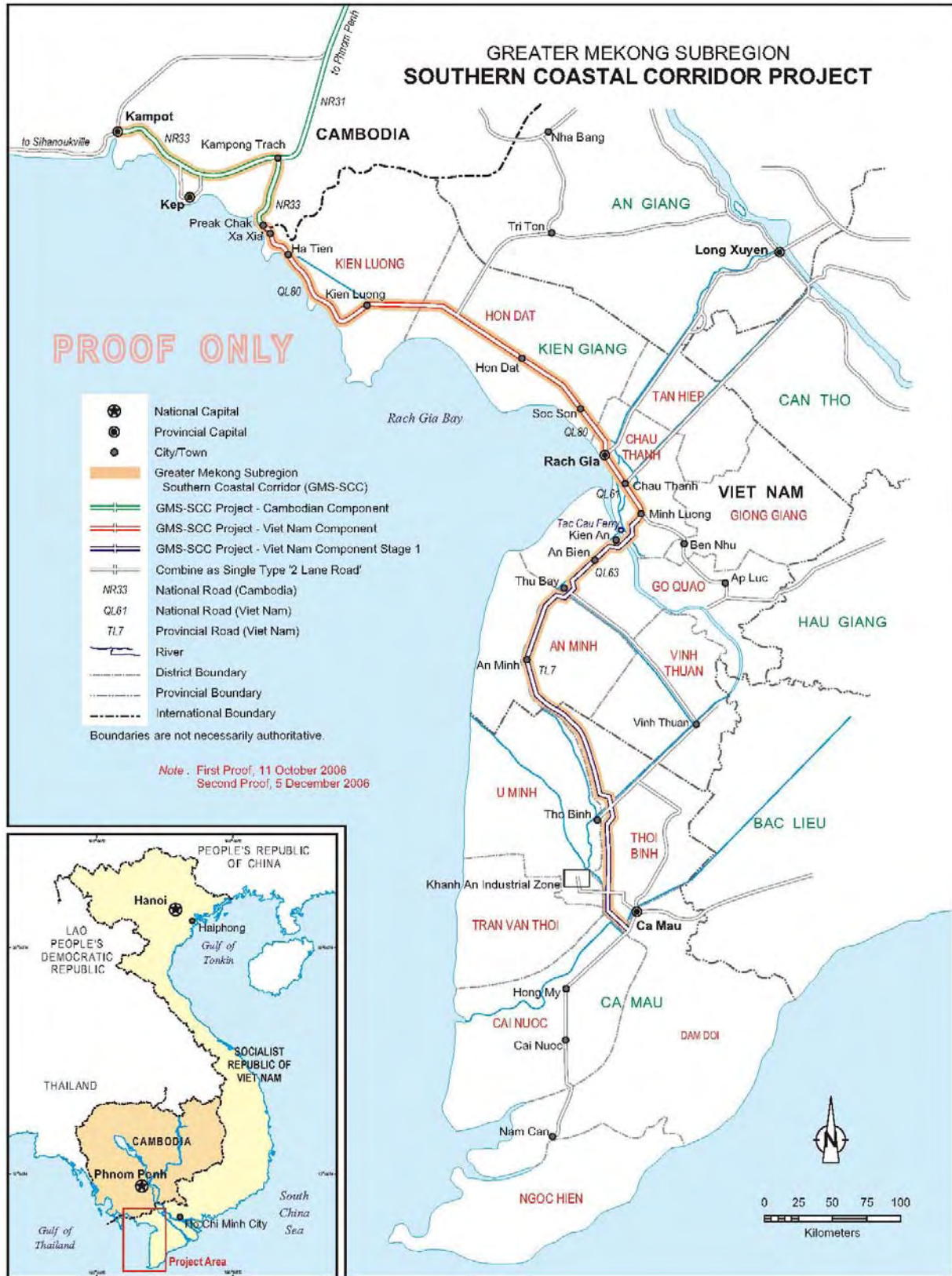
An updated GMS Transport Sector Strategy Study undertaken by the ADB and completed in 2006 identified continuing gaps in the road and rail network and cross-border movement as key constraints to passenger and freight transport. ADB now proposes to support improvements to the GMS-SCC, specifically upgrading of substandard road infrastructure and border facilities for the section of the GMS-SCC between Kampot in Cambodia and Ca Mau in Vietnam (see Figure 1.1). This is described hereafter as the “GMS-SCC Project”.

The aims of the proposed GMS-SCC Project are to:

- reduce transport times and costs and induce more efficient movement of passengers and goods between Vietnam, Cambodia and Thailand and within the project affected provinces;
- provide improved road connectivity between rural areas and provincial centres; and
- reduce noise and pollution in town centres.

The component in Cambodia is related to the component in Vietnam. It is being processed in parallel with the component in Vietnam, with pre-appraisal of the latter having occurred in January-February 2007. Once approved by the ADB, the two components will be implemented independently. The remainder of the current report relates only to the component in Cambodia unless otherwise indicate.

Figure 1.1: Project Location



Source: ADB. This is an indicative, draft map and should be neither reproduced separately from the current report nor used for unrelated purposes.

Following completion of Project Preparatory Technical Assistance (PPTA) for the GMS-SCC, ADB undertook a Loan Fact-Finding Mission for the Cambodian component from 5-13 October 2006. This Mission identified a project with a cost of \$16.25 million that involved a loan of \$13.0 million from ADB's concessional Asian Development Fund (ADF) and a \$3.25 million contribution from the Royal Government of Cambodia (RGC).

Subsequent to this mission, AusAID indicated an interest in contributing to the project. The government also subsequently requested the addition of a component to improve the facilities at the border crossing of the GMS-SCC with Thailand (at Koh Kong).

An Appraisal Mission would usually follow the Fact-Finding Mission to finalise all details regarding the Project. However, in the current instance, there remain several incomplete activities that required a Loan Pre-Appraisal Mission instead. Upon resolution of outstanding issues, which are disclosure of the resettlement plan and confirmation by the ADB that conditions for appraisal have been met¹, it is expected that the Pre-Appraisal Mission will be re-designated as the Appraisal Mission.

ADB undertook the Pre-Appraisal Mission from 29 March to 6 April 2007. The objectives for the Mission were to: (i) discuss changes to the Project and its financing made possible by the expected availability of AusAID funds; (ii) update project costs and financing; and (iii) to define implementation arrangements. The work of the Mission is reported in a Memorandum of Understanding (MOU) that also draws on material from an emerging version of the "Report and Recommendations of the President" (RRP), which is the internal ADB document that is eventually submitted to the Board of the ADB for approval of the loan. The MOU was signed at the Wrap-up Meeting for the Mission on Friday 6 April 2007.

AusAID engaged David Bray of Economic and Policy Services Pty Ltd to participate in the Pre-Appraisal Mission and to provide advice to AusAID on the viability of the project and options for Australian support for the project (see Appendix A for the Terms of Reference for the assignment). This report is prepared in accordance with item (b) in the Terms of Reference. It also draws on material in the MOU for the Mission (see Appendix B) and other work undertaken by the consultant for the Mission.

2. Outline of the Proposed Project

The area in which the project is located in Cambodia is not well-connected to major markets. In particular, use of the GMS-SCC in Cambodia faces a number of challenges:

- the border between Cambodia and Vietnam at Preak Chak/Xa Xia (see Figure 1.1) has only been a "local" crossing in the past, available primarily only to local traffic and with only limited immigration and customs facilities – agreement has been reached to upgrade the crossing to an "international" standard and to include it in the GMS-sponsored Cross-Border Transport Agreement (CBTA), though final signing of all necessary documents for its inclusion in the CBTA is yet to occur;
- the use of small ferries to cross four major water crossings in the western part of the GMS-SCC in southern Cambodia (between Koh Kong and the junction of NR48 and NR4) has constrained use of the corridor by large vehicles and has increased travel time in the corridor – this section of the GMS-SCC is being upgraded with assistance from the Government of Thailand;

¹ It appears that the RGC has met the conditions for appraisal, but formal confirmation is still needed.

- some roads on the GMS-SCC are in poor condition, including the 15 km section of NR33 from Preak Chak to Kampong Trach that is unsealed, and part of NR33 between Kampong Trach and Kampot along which there are a number of narrow bridges and the road surface of which is in need of resurfacing;
- the 54 km section of NR31 between Kampong Trach and NR3 (which connects to Phnom Penh some 200 km to the north) has two narrow bridges at its southern end and is in urgent need of minor maintenance; and
- the facilities on the Cambodian side of the border between Cambodia and Thailand at Koh Kong are limited and insufficient to meet the needs of the CBTA and the growth in traffic expected to result from economic growth in the region and various improvements being made or proposed for the GMS-SCC.

Accordingly, the Project comprises:

- development of immigration and customs facilities and associated infrastructure at the borders of Cambodia with Vietnam (at Preak Chak) and Thailand (at Koh Kong)² on the GMS-SCC;
- sealing of the 15 km section of NR33 between Preak Chak and Kampong Trach to a “standard” cross-section (ie with two 3.5 metre wide traffic lanes, two 1.5 metre wide sealed shoulders and two 0.5 metre wide gravelled shoulders, giving a total width of 11 metres);
- upgrading NR33 between Kampong Trach and Kampot by replacing 20 small bridges along the full length of the road (to accommodate an 11 metre wide road) and undertaking periodic maintenance (in particular resurfacing) and minor repairs to sections of the road; and
- replacing two small bridges on NR31 and undertaking routine maintenance of the 54 km long road between Kampong Trach and the junction with NR3.

The physical works will be complemented by a HIV/AIDS Awareness and Prevention Program and Human Trafficking Prevention Program (HAPP/HTPP), which are to be financed through Project Implementation consulting services and implemented through ongoing provincial government programs.

The cost and proposed financing for the Project is summarised in Table 2.1. More detail is available in the MOU.

The Executing Agency (EA) for the Project will be the Ministry of Public Works and Transport (MPWT). In keeping with a general objective that projects be implemented through line agencies (rather than ad hoc, separate units), the Project Implementation Unit (PIU) will be PMU-3, which is a division in MPWT that has a small permanent staff and which is able to draw on specialist staff in other divisions of MPWT as needed. PMU-3 will engage and direct the work of all consultants associated with project implementation, be responsible for procurement, and will be the Employer on all civil works contracts.

² The Pre-Appraisal Mission was unable to formally visit the border at Koh Kong. However, the mission leader visited the site immediately prior to the mission and confirmed a need for improvement. The specific details of the improvement will be determined through a feasibility study to be undertaken early in the course of the Project. A budget allowance equal to that for the crossing at Preak Chak was made for implementation of the facility on the basis that a similar facility would be needed. As indicated in para 12 of the MOU, MPWT has provided a letter that formally indicates the government's desire to include the Koh Kong border facilities in the Project.

Table 2.1: Project cost and financing

	Source of Finance (US\$ million) ⁽¹⁾			Total
	ADB	AusAID ⁽²⁾	RGC	
Investment Costs				
Civil Works				
Improvements to NR33 (Preak Chak – Kampong Trach)	2.60	-	0.25	2.85
Cross Border Facilities (Preak Chak)	-	1.27	0.12	1.39
Cross Border Facilities (Koh Kong)	-	1.27	0.12	1.39
Kampong Trach - Kampot Bridges and Culverts	1.10	-	0.11	1.20
Maintenance Contracts (multiple)	1.71	2.03	0.36	4.10
Subtotal (Civil Works)	5.40	6.79	3.29	15.48
Resettlement	-	-	0.93	0.93
Consulting Services				
Project Implementation Consultants	-	2.23	-	2.23
Independent Monitoring Agency (for Resettlement)	-	-	0.06	0.06
Taxes and Duties			1.33	1.33
Recurrent Costs				
Incremental Government Administration	0.30	-	0.03	0.33
Subtotal (Base Costs)	5.70	6.79	3.32	15.81
Contingencies	1.20	1.01	0.38	2.59
Financing Charges During Implementation	0.10	-	-	0.10
Total	7.00	7.80	3.70	18.50

(1) Includes physical and price contingences and taxes.

(2) The reasoning for this proposed role for AusAID is discussed in the next section.

Source: MOU

A Terms of Reference (TOR) for Project Implementation Consultants was prepared for the Vietnamese component of the project, and AusAID comments on that TOR have been incorporated into a revised version of that TOR. The revised TOR has been used as the basis for the TOR for Project Implementation Consultants for the Cambodian component.

3. AusAID's Role

In the course of discussions during the Pre-Appraisal Mission, AusAID indicated a general interest in supporting the project as a whole, but with a particular interest in its regional context and hence in the border facilities. AusAID also sought to minimise the effect of its involvement in increasing the complexity of project implementation. Two possible means for AusAID involvement in the project were identified:

- Complete co-mingling of funds, with the PIU drawing on both AusAID and ADF funds, in a fixed proportion, to pay for each item of expenditure under the Project. While this meets the objective of providing general support for the Project, it is not preferred because it would add significantly to the complexity of project administration (by requiring all expenditures to draw on both the ADF and the AusAID trust account) and would disrupt project implementation if a delay in AusAID remittances prevented a corresponding ADF disbursement being made (for example in the, albeit unlikely, event that the flow of funds from AusAID was affected, even if for some reason unrelated to the Project).
- Limited co-mingling of funds, with specific project components solely financed using AusAID funds to the maximum extent possible to limit the need for co-mingling of funds. This can be achieved in the current project by using AusAID funds to finance: (i)

improvements to the border facilities (with an expected cost of US\$3.1 million); (ii) consulting services (US\$2.2 million); and (iii) selected elements of the periodic and routine maintenance components (US\$2.5 million).

The second of these approaches is recommended for the following reasons:

- AusAID can be more explicitly associated with the regional aspect of the project through its support for the border improvements at each end of the GMS-SCC in Cambodia;
- AusAID can be associated with the overall project through its sponsorship of the consulting services; and
- it simplifies Project administration for the PIU.

The association of AusAID with specific project activities exposes AusAID to potential reputation risk. This is addressed further in Section 7. AusAID will be able to determine the extent to which it wishes to be involved in project implementation. This is discussed further in subsequent sections.

4. Project Implementation

Agreements

Following discussions with the ADB and the RGC, it is recommended that the following agreements be arranged in relation to the AusAID funding:

- a Financing Agreement between ADB and RGC for the ADF loan and the AusAID grant; and
- a co-financing agreement between ADB and the Government of Australia.

The ADB will initiate these agreements. The agreements would be complemented by an exchange of letters between the Government of Australia and the RGC to confirm provision of the grant. AusAID should initiate this exchange of letters.

Project Financial Management

It is currently anticipated that AusAID will establish a Trust Account for the project with the ADB. The ADB would make disbursements from the Trust Account to project accounts in Cambodia as appropriate. All procurement for which AusAID funds are used will be undertaken in accordance with ADB procurement guidelines.

It is understood that AusAID will:

- be able to remit funds to the Trust Account at the times and in the quantities of its choice subject to sufficient funds being in the account to meet anticipated approved expenditures;
- provide funds to the ADB in the equivalent of US\$7.8 million subject to protection against any possible severe depreciation of the Australian dollar relative to the US dollar; and
- will provide additional funds to meet ADB's management fee of 2 percent.

Project Initiation

Key activities needed to initiate project components include:

- MPWT will review the MOU of the Pre-Appraisal Mission and if necessary will provide further comments by 27 April 2007;

- the Pre-Appraisal Mission will be re-designated the Appraisal Mission when activities discussed previously have been completed; and
- key dates for ongoing processing of the project, based on the assumption that the above deadlines can be met, are shown in Appendix 9 of the Loan Pre-Appraisal Mission MOU.

There will not be legal cross-effectiveness of ADB financing for the Cambodian and Vietnamese components of the Project, ie disbursements for one component will not be affected by activities in the other. However, ADB will process the two national components as a single project and hence cannot submit the project to its Staff Review Committee (which is the final technical review of the proposed project and which must precede loan negotiations) until both components are finalised. There is potential for ongoing discussions regarding the inclusion of a costly bypass of Rach Gia in the Vietnamese component of the project to delay these activities. However, it is likely that ADB will, if necessary, press for the Vietnamese component to exclude the bypass so that project processing can proceed to meet the deadline for loan signing by December 2007 rather than delay the project into 2008.

Project Supervision

It is recommended that AusAID participate in Review Missions undertaken by the ADB. AusAID should also indicate to ADB that it expects to be advised of progress with any matters identified by these Missions as needing follow-up.

ADB can involve AusAID in the flow of paperwork associated with project implementation to the extent that AusAID wishes. There will be three broad categories of paperwork associated with implementation of the Project:

- accounts for use of money in the Trust fund at the ADB;
- copies of correspondence between the PIU and the ADB, covering approvals, reconciliations of expenditure, reports, etc; and
- reports prepared by the Project Implementation Consultants.

AusAID will clearly need information with regard to the first of these, which it is expected will be detailed in the co-financing agreement between ADB and the Government of Australia.

Given the large quantity of paperwork involved, AusAID may prefer to be kept aware only of matters that: (i) are related to Review Missions; (ii) have major governance consequences; (iii) are related to components funded primarily by AusAID; and (iv) could have a major impact on the project achieving its objectives. AusAID should advise ADB of its preferences on these matters. Allowance is made in the TOR for the Project Implementation Consultant for a copy of each of their reports to be made available to AusAID.

5. Field Visit and Other Mission Activities

The Mission visited Phnom Penh from 29 March to 6 April 2007, with AusAID's consultant attending from 31 March to 6 April 2007. Mr Mark Palu, AusAID Counsellor, attended the Mission from 31 March to 3 April 2007. Activities of the Mission included:

- a field visit on 1 April 2007 to visit the roads to be improved through the Project and the border crossing at Preaek Chak;
- meetings in Phnom Penh with the Ministry of Finance and Economy and MPWT (see Annex 1 in the attached MOU for a list of persons met during the Mission). Issues discussed at these meetings are reflected in the MOU in Appendix B to this report.

Issues evident in the course of the field visit included:

- there is a considerable amount of light traffic, and occasional larger vehicles, including some mid-sized trucks, on the road from Kampong Trach to Preak Chak, which can be subject to considerable dust when dry (top photo to the right) and is reported to be slippery and dangerous when wet;
- the current border facility at Preak Chak is modest, in keeping with its present minor function (photo 2);
- Vietnam has already built some buildings at Xa Xia (as seen from Cambodia in photo 3);
- part of NR33 between Kampong Trach and Kampot has been upgraded to a wider pavement than the remainder of the road (see photo 4), though bridges on the upgraded section were not replaced and intrude dangerously into the pavement (photo 5);
- NR48 from the border with Thailand is being upgraded, including construction of bridges to replace small aged ferries (the bottom photo to the right) used at four major crossings, and will complement proposed upgrading of other parts of the GMS-SCC in Cambodia and Vietnam;
- upgrading Project roads in Vietnam and Cambodia will substantially improve (a) accessibility between the southern coastal region of Vietnam and both Phnom Penh and the seaport at Sihanoukville, (b) travel along the GMS-SCC in general, and (c) improve the quality and accessibility of transport for local populations along the Project roads; and
- there appear to be few secondary roads from the national roads in the vicinity of the Project area in Cambodia, with only pedestrian/motorcycle/bicycle tracks leading to neighbouring areas. This suggests that the effective catchment area of the national roads is limited at present, but will be enhanced with the Project. However, even greater benefits may be obtainable in the longer term if secondary roads are built into areas of high agricultural potential.



At the Wrap-up Meeting for the Mission, a full-day detailed discussion was held with MPWT officials regarding the MOU and its Annexes.

6. Other Issues

Other specific issues noted in the TOR for the current consultant's assignment and which emerged from the Mission are addressed below.

Economic Evaluation

An economic evaluation of the proposed road improvements under the combined Cambodian and Vietnamese sections of the project shows an economic internal rate of return (EIRR) of 17.2 percent for the proposed road improvements (excluding the Rach Gia bypass in Vietnam). A risk analysis that takes account of the level of confidence held in the various inputs to the economic evaluation showed a mean EIRR of 13.2 percent, reflecting a greater likelihood that costs might turn out higher than the best estimate rather than lower and, to be conservative, the reverse with respect to benefits. Observations regarding the economic evaluation presented include:

- The analysis appears to have been based on minimal road maintenance and hence continued road deterioration in the Base Case, and proper maintenance in the Project Case. This means that two actions were evaluated: improved maintenance and the road upgrading. Improved road maintenance, especially from a very low base, will generally generate substantial benefits, and quite likely a higher rate of return than the average EIRR of 17.2 percent. In this case, it is possible that the average EIRR of 17.2 percent exaggerates the benefit of the road investment itself.
- The analysis assumed that the road improvements would be implemented to a high standard, with an International Roughness Index (IRI) of 2 upon completion. This may be optimistic. However, road speeds tend to be low, which would reduce the extent to which a lower quality or road construction would increase vehicle operating costs and hence reduce the benefits of the project.
- The tabular presentation of the evaluation shows no benefits for generated traffic, though the text explaining the evaluation makes reference to such benefits. It appears that this reflects the use of a mix of methodologies, with an alternative means used to assess benefits given uncertainty over the extent of generated traffic. In practice, it is difficult to estimate generated traffic for a project such as that proposed given the constraints to accessibility along the corridor at present including the need for a substantial ferry crossing of the Tac Cau estuary, the large area involved, and the absence of a trafficable road along parts of the corridor. As a result, there is room for professional debate on the best means to measure and value benefits.
- The unpaved nature of NR33 between Preaek Chak and Kampong Trach is likely, given reasonable traffic volumes, to have a higher EIRR given the high vehicle operating costs and slow travel that currently prevail for movement along the poor quality road.

Given that the economic evaluation prepared by the PPTA consultants has been reviewed by ADB staff in the course of project processing, it is considered that the methodology adopted reasonably measures the economic merit of the project. The risk analysis is a useful adjunct to the conventional evaluation that is based on best estimates of inputs, and gives comfort that the merit of the project remains reasonable even allowing for uncertainties in input values.

Monitoring and Evaluation

At the initial stages of preparation of the project only relatively modest attention was directed to monitoring and evaluation (M&E). This was consistent with a focus on a limited set of indicators described in the Design and Monitoring Framework for the Project (see Annex 2 in the attached MOU) that had been developed earlier in preparation of the Project and examined at ADB's Management Review Meeting.

M&E activities were boosted during the Pre-Appraisal Mission. The expanded level of activity is reflected in paragraphs 29 and 58 of the MOU and in paragraphs 29 and 30 of the Terms of Reference for the Project Implementation Consultants (presented as Appendix 6 to the MOU). Explicit allowances have been made for personnel and for surveys for M&E (see Table 7.4 in Annex 7 to the MOU). It will be important that Review Missions ensure that M&E is undertaken to the standard expected. The final M&E survey will occur five years after completion of the Project. In practice, it may be expected that this will not occur unless resources are provided in a follow-up project.

As a general observation, it is judged that ADB has, with the GMS-SCC project at least, given less emphasis to M&E than would AusAID. This may be explained by: (i) limited government willingness to use domestic and loan funds for such purposes³; and (ii) because ADB can take advantage of its experience with numerous similar projects to identify lessons for future project design. The availability of AusAID grant funds, especially when used to finance consulting services, provides both the grounds and means for greater emphasis to be given to M&E in co-financed projects than might otherwise be the case. There will be greater latitude to do this effectively in the future if AusAID is able to participate earlier in the project preparation process, for example at the Loan Fact-Finding stage of a project or even during the preceding PPTA study. This involvement will enable a more detailed Design and Monitoring Framework and M&E program to be developed from the outset, especially if it occurs no later than Loan Fact-Finding when these activities are first formally elaborated by the ADB.

Road Maintenance

One of the major issues in the road sector in Cambodia is the lack of adequate maintenance of road assets. The Project will contribute to the development of road maintenance by:

- initiating maintenance planning;
- undertaking routine and periodic maintenance on some Project roads through competitively bid contracts;
- exposing MPWT and Provincial Departments of Public Works and Transport staff and Cambodian contractors to contracts for routine and periodic maintenance; and
- establishing market rates for maintenance work that can be used to guide the setting of rates for maintenance undertaken through force account.

Discussions have been initiated between ADB, AusAID, and RGC regarding a possible national road maintenance project. This would draw on the experience gained in the current Project (to the extent possible given possible timings for the respective projects) to develop a

³ For example, the governments of Vietnam and Cambodia, the former more strictly than the latter, limit the budget for consulting services to no more than 12 percent of the base cost of capital works. After allowing for the design and supervision of physical works, general project support, and social programs (eg HIV/AIDS and trafficking awareness and prevention), this can leave funds for only restricted M&E activities.

national approach to planning and implementing improved road maintenance. There are signs of improved government commitment to road maintenance. The Ministry of Economy and Finance having authorized its Treasury Division to disburse an advance payment of 40% of the 2007 budget in accordance with a requirement for this to occur prior to the Pre-Appraisal Mission for the current Project. The Ministry also noted at a meeting with the Mission greater satisfaction with the current performance of MPWT.

It is understood that there have been several previous attempts at developing an improved approach to road maintenance. A future project will need to build on these previous attempts to implement an effective and sustainable Road Maintenance and Management System (RMMS), in particular to draw on their databases and experience. Given a common difficulty in institutionalising improved road maintenance, there is a need to draw on lessons learned in other places⁴.

Consulting Services

An extensive outline TOR for implementation consulting services had been prepared. The TOR includes comments made by AusAID. The TOR places emphasis on the outcomes that the consultant is to achieve and describes the specific approach to be taken by the consultant and data needs only where essential. Even so, the TOR is substantial, at 22 pages.

Synergy with Other AusAID Programs

AusAID's development assistance program in Cambodia is currently focussed on activities to: (i) increase productivity and incomes of the rural poor (with a focus on market-based agricultural development); (ii) reduce vulnerability of the poor (in particular through food security, mine action and disaster preparedness activities); and (iii) strengthen rule of law (targeting the criminal justice system, democratic participation, electoral processes and financial management). These activities are generally un-related to the proposed Project. Several activities with some indirect links are:

- a small *Water Resource Management Research Capacity Development Program* has links with infrastructure, but not sufficient to warrant any formal links with the Project;
- support related to HIV/AIDS is being provided through the *Cambodia Anti-Retroviral Therapy Project*, though this project is currently scheduled for completion in 2007, and so will not overlap with the Project;
- the *Mobilising Communities for Child Protection* and *Child-Safe Cambodia* programs address issues indirectly associated with the human trafficking prevention program proposed for the current Project, and should be brought to the attention of the Project Implementation Consultants; and
- assistance being provided with the International Finance Corporation for private sector development should indirectly support the development of private sector capacity for undertaking road maintenance through contracts with the MPWT.

⁴ For example, see:

Burningham, S. and Stankevich, N. (2005) "Why road maintenance is important and how to get it done", Transport Note No. 4, World Bank, Washington D. C., June.

McPherson, K. and Bennett, C. R. (2005) "Success Factors for Road Management Systems", Transport Note No. 29, World Bank, Washington D.C., October.

The overlap between the GMS-SCC Project and these other projects is judged insufficient to require explicit integration or coordination between them to be incorporated into the design of the GMS-SCC Project. Nevertheless, GMS-SCC Project is consistent with the general intent of the current AusAID program of supporting economic growth, protecting communities and improving government capacity. With regard to economic growth, the Project is essential to rural development in its sphere of influence because of its role in enhancing access to social services, to inputs for rural production and to market for rural products. It is recommended that those involved in continuing AusAID projects in the region of the GMS-SCC Project should be made aware of it when the Project and AusAID's involvement in it are confirmed so that advantage can be taken of any potential linkages.

GMS Linkages

The GMS may be interpreted as providing two key functions: (i) upgrading transport along important economic corridors; and (ii) providing a framework for coordinating projects that have cross-border implications. While the 924 km GMS-SCC links Bangkok in Thailand with Ca Mau in Vietnam, the extent to which traffic is likely to travel along the entire corridor, or even very substantial sections of it, in the short term at least, is likely to be limited.

Even so, the Project could have several significant effects:

- By facilitating the full opening of the border between Cambodia and Vietnam at Preak Chak to international movement, the Project can be expected to support regional economic and social development. For example, removal of current border constraint will allow inevitable opportunities for trade between people living on each side of the border to be exploited and for use of ports on the other side of the border that may be better suited for regional and international trade, with resulting economic improvements. It will also allow increased social interaction between the Kymer ethnic population living in Vietnam with their compatriots in Cambodia.
- While there are current international border facilities between Cambodia and Thailand at Koh Kong, they are limited in size and quality. Moreover, while it is reported that a considerable number of large trucks can be observed on the GMS-SCC on the Thai side of the border, few are to be found on the Cambodian side. While there may be institutional constraints to the through movement of these trucks, the availability of only small ferries at four major water crossings along the corridor in Cambodia presents a significant physical constraint. The improvements to the western half of the GMS-SCC in Cambodia will substantially improve accessibility along the corridor. There is the potential for significant movement to be generated between the eastern seaboard industrial region of Thailand and southern Cambodia. The corridor could also become the principal route for movement between the southern coastal part of Thailand (including Bangkok) and Phnom Penh.
- The combination of past development of the GMS-SCC in Cambodia, the current upgrading of the western half of the corridor, and the improvements proposed under the current Project will result for the first time in a complete corridor in Cambodia at an appropriate standard and with good linkages to the two neighbouring countries.

The potential for growth in movement across borders may be observed with regard to the Friendship Bridge across the Mekong River between Thailand and Laos that was constructed with assistance from the Government of Australia and which opened in 1994. In addition to supporting economic activity, this bridge appears to have facilitated interaction between the ethnically similar populations on each side of the border and more generally supported interaction at a regional level. While slow to commence, in part due to institutional issues and the use of vehicles from one country in the other (exacerbated by the different side of the

road used in each country), there are now four return bus services daily between Vientiane in Laos and each of Udon Thani (a distance of 85 km) and Nong Kai (35 km) in Thailand that use the bridge. More recently, a daily return bus service between Vientiane and Bangkok (12 hours travel time) has commenced.

The improvement in accessibility within Cambodia that the GMS-SCC Project will produce will allow people living in its sphere of influence to better participate in the larger domestic economy, to interact with people from other places, and to access services that can only be economically provided at larger towns. In the longer term, the geographic area of these interactions can be expected to enlarge, as appears to be occurring with in the case of travel between Laos and Thailand across the Friendship Bridge.

7. Risks and Uncertainties

Potential project risks could include:

- With regard to AusAID:
 - the association of AusAID funds with specific activities (eg consulting services and improvements to border facilities and some road improvement components) risks reputation risk if something were to go wrong with these activities – this is being addressed through AusAID’s involvement in the ADB Pre-Appraisal Mission, AusAID review of the TOR for Project Implementation Consultants, a general appreciation that the ADB has applied sound practice in the design of the project, and ADB taking responsibility for management of Project implementation;
 - the Government of Australia does not approve the budget necessary to permit AusAID co-financing of the project – this is not considered to be a major risk;
 - funding constraints interrupt disbursements to the Trust Account held with the ADB – this is not considered to be a significant risk;
 - changes in AusAID personnel associated with the project over its duration alter the form and expectations of interaction with the ADB – this is a risk that can be managed with appropriate hand-over between AusAID staff;
- With regard to the ADB:
 - the ADB fails to advise AusAID of some operational problem that subsequently emerges as a public issue – this risk can be minimised by reinforcing with ADB the need for it to advise AusAID of potential issues;
 - the ADB is not sufficiently responsive to AusAID concerns – this is considered to be a potential risk that is being addressed by ensuring ADB is aware of AusAID priority interests, incorporating the interests into the Project design to the extent possible, and the potential for issues to be followed up through senior channels if the need should arise;
 - changes in ADB personnel associated with the project over its duration alter the form and expectations of interactions with AusAID – this is a risk that can be managed with communications between AusAID and ADB staff and can be followed up through senior channels if necessary;
- With regard to the RGC:
 - activities to be completed prior to appraisal, negotiations and project effectiveness are not undertaken in a timely manner – RGC responsiveness to date suggests that

this potential risk is not as severe as might be the case, but in any event ADB is aware of the matter and can be expected to monitor progress and take necessary remedial actions;

- resettlement policy is inappropriate – the ADB has undertaken numerous projects with the RGC and a clear policy framework and practices have been established;
- resettlement is delayed or is undertaken inappropriately – this is a risk with serious consequences, and the Project includes measures to independently monitor and follow up problems;
- the Project Implementation Consultants and PIU under-performs – given timely recruitment and effective management of consultants, this is a modest risk, and can be monitored through Review Missions and remedial actions taken as needed; and
- governance of planning and implementation of Project components is poor – this is a potential risk that will be monitored by the ADB through approval processes it requires for contracts, through Review Missions and through public reporting of project activities on a web site.

In general, the recommended form of AusAID involvement minimises reputational risk to AusAID with regard to the performance of individual project elements. With regard to the project as a whole, AusAID's reputational risk should be less than that of the ADB given that AusAID is a supporter rather than the manager of the project.

8. Conclusions

It is the view of the consultant that the preparation of the GMS-SCC Project by the ADB appears to have been sound, that the project has economic and social merit, and that appropriate safeguards are in place to guide and monitor project activities and respond to issues that may emerge. It is concluded that the project, as outlined in this report, is worthy of AusAID support. It is recommended that if AusAID should participate in the Project, it should selectively monitor Project activities and should participate in Review Missions.

Appendix A: Consultant Terms of Reference

The Contractor shall perform the following Services in accordance with the terms and conditions of this Contract.

(a) The Contractor will participate in the ADB Appraisal Mission, 31 March to 7 April 2007, beginning in Phnom Penh and travelling to the project site in the southern coastal region near the border with Vietnam. The terms of reference for participation in this Mission are:

- 1) In consultation with the AusAID Counsellor Ho Chi Minh City, represent the interests of AusAID on the Mission and highlight the areas where additional focus should be given or new activities added.
- 2) Provide advice and appraise the overall suitability of the project for co-financing by AusAID including any specific component identified for AusAID support and propose whether additional investments should be pre-identified or identified during implementation. The consultant should also explore the proposed maintenance program for the road and identify any issues relevant to ensuring the maintenance program is effective eg adequate financing.
- 3) Discuss with the ADB how the project will be managed and recommend to AusAID the most appropriate management mechanisms. Advise on how the ADB proposes to integrate the various components and donors contributing to the project.
- 4) Advise on proposed M&E for the project. Following the White Paper, AusAID must in all country and regional programs include a performance framework that articulates expectations clearly and provides a better basis for managing results and assessing the impact of aid efforts. AusAID, in cooperation with the ADB, will need to identify achievable objectives and indicators that can be used to measure performance against the objectives. Identifying data to assess the impact of the improvements to the Southern Coastal Corridor will be essential and will identify how such data will be collected and be made available.
- 5) Work with the ADB task team to agree on the co-financing mechanisms for the project. It is proposed that AusAID will combine our grant funding with the ADB loan and the total combined funds will be applied to the overall project, with the exception of the Korean financed section of the road. If it is proposed that AusAID finance a specific section of the work within the overall project, the consultant should recommend the activities most appropriate for AusAID funding. However, AusAID is interested in assisting the ADB to implement the Cross Border Transport Agreement and consistent with this interest, AusAID is ready to assist with the upgrade to the Preak Chak border post.
- 6) Provide written input to the Mission aide memoire and redraft the relevant sections of the ADB Pre-Appraisal Document.
- 8) The consultant should also be available to make intermittent inputs after the end of the appraisal Mission until project documentation is officially submitted to ADB board and AusAID equivalent (around mid 07).

(b) Drawing on available documents and the field Mission, the Contractor will prepare a report of up to 10 pages for AusAID assessing the viability of the project and the key risks that may effect implementation of the project, identifying options for Australian contributions to the project and providing an assessment of the overall as well as the regional benefits of this project.

Appendix B: Memorandum of Understanding

(signed in Phnom Penh on Friday, 6 April 2007)

GREATER MEKONG SUBREGION SOUTHERN COASTAL CORRIDOR PROJECT – CAMBODIA COMPONENT

LOAN PRE-APPRAISAL MISSION, 29 MARCH – 6 APRIL 2007

MEMORANDUM OF UNDERSTANDING

I. INTRODUCTION

1. A joint mission from the Asian Development Bank¹ (ADB) and the Australian Agency for International Development² (AusAID), visited Cambodia during the period 29 March – 6 April 2007 to undertake loan pre-appraisal for the Cambodian component of the Greater Mekong Subregion Southern Coastal Corridor Project (GMS–SCC) – the Project. The purpose of the mission was to discuss and agree with the Royal Government of Cambodia (RGC) the scope and amount of the proposed loan from ADB and grant from AusAID, and to review technical, financial, economic, institutional, social, environmental, resettlement, sector policy, and legal aspects of the proposed Project. In reviewing the Project design as set out in this Memorandum of Understanding (MOU) account was taken of (i) the institutional capacity of relevant Government agencies, cost estimates, cofinancing arrangements, implementation arrangements (including procurement, consulting services, project management, disbursements, accounting, and auditing), and conditions or covenants likely to be attached to the loan and grant; and (ii) the contents of the MOU agreed at the end of the loan fact-finding mission. This MOU summarizes discussions in Phnom Penh with the Ministry of Economy and Finance (MEF) and the Ministry of Public Works and Transport (MPWT). Annex 1 provides a list of people met by the Mission. The Mission concluded with a final meeting on 6 April 2007, at which this MOU was discussed and agreed. The Mission members wish to express their sincere thanks for the assistance provided to them by MPWT, particularly the General Department of Public Works (GDPW).

2. It was noted that this MOU is subject to the approval of higher authorities at ADB, AusAID, and the RGC.

A. Status of Project preparation

3. The Mission advised MPWT that the Project had been presented at an ADB Management Review Meeting (MRM) on 14 December 2006. At this meeting the Mission was provided with comments from ADB Management that were to be addressed in the Project's Report and Recommendation of the President (RRP) and loan agreement. Subject to comments being satisfactorily addressed, the Mission was given approval to proceed to appraisal. The Mission explained that although the MRM had given approval for appraisal the ADB's procedures require that all resettlement plans for a project have to be approved and disclosed before an appraisal mission may commence. As final resettlement plans have not yet been approved, the present mission was a pre-appraisal mission.

¹ Comprising Paul Vallety, Senior Infrastructure Specialist (Mission Leader); Roberta Thami, Senior Counsel; and Yasushi Tanaka, Transport Specialist. The Mission was assisted by Nida Ouk, Project Implementation/Programs Officer, CARM.

² Comprising Mark Palu, Counsellor (DC), AusAID; and David Bray, Consultant to AusAID.

4. The Mission advised MPWT that a pre-appraisal mission had been undertaken in January 2007 for the Project's Vietnamese component. The MOU signed at the end of that mission set out 2 options for the Government of Viet Nam to review, these options being to either include or exclude a major by-pass around the city of Rach Gia. It was agreed that the Government of Viet Nam would advise the ADB of its decision on the by-pass by 9 May 2007. The Mission noted that appraisal of this Project, which must include both Cambodian and Vietnamese components, could only be completed when the Government of Viet Nam provides its decision on this by-pass.

1. Australian Government Cofinancing

5. The Mission advised MPWT that subsequent to loan fact-finding the Government of Australia expressed interest in the ADB's Greater Mekong Subregion (GMS) Program. These discussions led to the Government of Australia, through AusAID, expressing interest in providing cofinancing to the Project. The basis of this expression of interest and the means by which the Government of Australia would make funds available to the Project are as follows:

AusAID has confirmed its interest in a partnership with the RGC and ADB in support of the Project. It notes the role of the Project in strengthening regional integration and trade and also its role in supporting economic and social development in a region of Cambodia that is currently hampered by poor transport accessibility. AusAID is considering providing a grant of US\$7.8 million equivalent towards the cost of the Project. This assistance has enabled an increase in the scope of the Project, in particular to allow the inclusion of the Cambodian border facilities at the Koh Kong crossing between Cambodia and Thailand and for other refinements to Project activities. A desire by AusAID that implementation arrangements should minimize the complexity of the dual sources of project finance (ie ADB and AusAID) to the RGC has been accommodated in proposed financial management arrangements for the Project. Final confirmation and commitment of AusAID's funds will only occur after the outcome of the Australian Government's FY2007-08 budget which it is expected will be released in May 2007. Funds for the Project would become available in July 2007. AusAID and the ADB will prepare and implement necessary agreements related to co-financing of the Project to complement a proposed financing agreement between the RGC and ADB. AusAID will participate in regular review missions undertaken by the ADB. AusAID will send a letter to the RGC confirming these arrangements.

B. The Proposed Project

1. Loan Fact-Finding

6. At loan fact-finding the Project area for the GMS—SCC Project was defined as extending from Kampot, in Cambodia, to the Cambodia – Viet Nam border at Preak Chak (Lork)³ – Xa Xia, to Ca Mau in Viet Nam. The Cambodian components of the Project as agreed at fact-finding are set out below. A Design and Monitoring Framework for the Project is in Annex 2; details of the civil works proposed for the Project are in Annex 3.

a) Rehabilitation of Transport Infrastructure

7. In Cambodia NR33 will be improved to a national road standard from the intersection with NR31 in Kampong Trach to the border with Viet Nam at Preak Chak, a distance of approximately 15 km. The work will include replacing an existing steel bridge within the border neutral zone.

³ The name of this border crossing is referred to as either Preak Chak – Xa Xia or Lork – Xa Xia.

b) Cross Border Facilities

8. The present facilities at the Preaek Chak – Xa Xia border crossing between Cambodia and Viet Nam are inadequate. A complete new facility will be constructed at Preaek Chak on the Cambodian side, whereas on the Vietnamese side additional facilities to facilitate passenger and cargo inspections and processing are required to complement a recently completed building. The overall design of the cross border facility will be a single design spanning both sides of the border and will take into account the ongoing work on the implementation of the GMS Cross-Border Transport Agreement (CBTA). On 12 February 2007 the Cambodian and Vietnamese Governments signed an MOU, effective immediately, to include the Preaek Chak – Xa Xia border crossing under the CBTA.

c) HIV/AIDS and trafficking awareness and prevention

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

d) Road maintenance in Cambodia

10. One of the major issues in the road sector in Cambodia is the lack of adequate maintenance of road assets. The Project will contribute to the development of sustainable road maintenance by providing technical support to the Ministry of Public Works and Transport (MPWT) through a demonstration project that will include (i) maintenance planning, (ii) implementation of routine and periodic maintenance through competitively bid contracts, (iii) exposure of Cambodian contractors to contracts for routine and periodic maintenance, (iv) exposure of MPWT and Provincial Departments of Public Works and Transport (PDPWT) staff to maintenance planning and implementation of this plan through competitively bid contracts, and (v) establishment of market rates for maintenance work that can be used as a guide for force account rates. This demonstration project will be implemented on the section of the GMS—SCC along NR33 between Kampot and Kampong Trach and the section of NR31 between Kampong Trach and the junction with NR3.

11. It was noted that discussions have been initiated between ADB, AusAID, and RGC regarding a national road maintenance project. This will draw on the experience gained in the current Project and improve the maintainability of the road system in Cambodia.

2. Cross-Border Facilities at Koh Kong

12. At the request of MPWT, and subsequent to fact-finding, it was agreed that improvements to border facilities for the Cambodian side of the border crossing at Koh Kong would also be included in the Project scope. MPWT noted that adequate government land was available at Koh Kong to construct the facilities for the Cambodian side and MPWT confirmed that no additional land would be required. It was agreed that based on the concept drawings prepared for the Preaek Chak (Lork) – Xa Xia crossing. MPWT provided the Mission with a letter confirming that (i) the MPWT's request to include the facilities at Koh Kong under the Project was supported by the National Transport Facilitation Committee, the agency responsible for the operation of all land transport border crossing; (ii) that adequate government-owned land is available at Koh Kong to construct the proposed border facility

and that no additional land or any resettlement will be required; and (iii) if, at the detailed design stage, it is found that additional land is required for the Koh Kong border facilities then a revised Project resettlement plan will be prepared based on the requirements of ADB's Policy on Involuntary Resettlement. MPWT also advised the Mission that coordination with the Government of Thailand for the proposed facilities at Koh Kong would be undertaken through existing committees established to coordinate border crossing arrangements.

C. Project Investment Plan

13. The Project investment cost is estimated at \$18.5 million, including taxes and duties of \$1.33 million. A summary of the Project Investment Plan is in Table 1. A copy of a detailed cost estimate is in Annex 4

Table 1: Project Investment Plan
(\$ million)

Item	Amounts ^a
A. Base Cost^b	
1 Civil Works	12.26
2 Resettlement	1.10
3 Consultants	2.28
4 Project Management	0.33
Subtotal (A)	15.98
B. Contingencies^c	2.42
C. Financing Charges During Implementation^d	0.10
Total (A+B+C)	18.50

^a Includes taxes and duties of \$1.33.

^b In mid 2005 prices.

^c Physical contingencies computed at 10% for civil works; Price contingencies computed at 11% of civil works and physical contingencies.

^d Includes interest during construction

Source: ADB Estimates

D. Financing Plan

14. It is proposed that ADB provide a loan of \$7 million equivalent (about 38% of total costs), denominated in special drawing rights from its Special Funds resources. The ADF loan will have a term of 32 years with a grace period of 8 years. There will be an interest charge of 1% per annum during the grace period and 1.5% per annum thereafter. It is further proposed that the Government of Australia, through AusAID, provide a grant of \$7.8 million equivalent (about 42% of total costs) in joint cofinancing for consulting services and civil works. The Government will contribute about \$3.7 million equivalent (about 20% of total costs) which will cover land acquisition and resettlement; independent monitoring of the resettlement plan provisions; a portion of project management costs; a portion of contingencies; a portion of civil works costs; and all taxes and duties. The Project's financing plan is summarized in Table 2 and details are given in Annex 4. Of MPWT's recurrent project administration costs, ADB loan funds will be applied to the following items when cost are incurred for Project related activities: vehicle operation and maintenance; international and

domestic travel, per diems, and allowances; communications; and miscellaneous office supplies.

15. The Borrower for the Project will be the Kingdom of Cambodia. The MEF will provide counterpart funds or in kind to MPWT through priority annual budgetary allocations.

Table 2: Financing Plan

(\$ million)		
Source	Total	%
Asian Development Bank	7.0	38%
AusAID	7.8	42%
Government	3.7	20%
Total	18.5	100%

E. Implementation Arrangements

1. Project Management

16. MPWT will be the Executing Agency (EA) for the Project with responsibility for procurement, withdrawal of Loan proceeds, engagement and direction of consultants, acting as Employer on all works contracts, and reporting to ADB and AusAID. Responsibilities for planning and implementation will be delegated to PMU-3, under the General Department of Public Works (GDPW), as the implementation agency (IA) for the Project. A copy of a chart showing the proposed Project Organization and Implementation Arrangements is in Annex 5.

17. PMU-3 will ensure that the Kampot Provincial Department of Public Works and Transport (Kampot PDPWT) establishes a Provincial Resettlement Committee as well as District Resettlement Working Groups and Commune Resettlement Task Forces to be responsible for the preparation and implementation of the Resettlement Plan.

18. The Kampot and Kep PDPWT will also coordinate with the Provincial Committees for the Control of AIDS (PCCA) to implement the the HIV/AIDS Awareness and Prevention Program and the Human Trafficking Prevention Program (HAPP/HTPP) with assistance from the consultant engaged under the Project Implementation consulting services package. This plan will supplement government programs for prevention and complement other donor initiatives. Plan components include: advocacy actions; information and education campaigns on HIV/AIDS and trafficking; provision of comprehensive HIV/AIDS medical packages to clinics and medical centres along the road; and monitoring. PMU-3 will make equivalent arrangements as needed with regard to the improvements of the Koh Kong border facility.

19. PMU-3 will have overall responsibility for implementation of the Environmental Management Plan (EMP) in the design and construction stages. EMP requirements will be incorporated into the construction documents; monitoring and enforcement will be ensured by PMU-3 with the assistance of the Project Implementation Consultant. EMP requirements during operations will be monitored by the Social and Environmental Unit, Department of Planning (or Office of Social and Environmental Safeguard, General Department of Planning and Administrative Services, after MPWT reorganization), MPWT.

20. The Interministerial Resettlement Committee (IRC) will recruit an Independent Monitoring Organization to monitor the implementation of Resettlement Plans. This Independent Monitoring Organization will be a domestic company with experience in resettlement planning and social analysis on similar internationally-funded infrastructure projects. It shall be recruited and contracted with prior to initiation of resettlement activities.

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

2. Implementation Period

22. An outline implementation schedule for the Project is presented in Annex 6. The Project Implementation Consultant will be recruited beginning mid-2007 and will start work in late 2007. Detailed designs and bid documents will be completed by mid-2008 enabling procurement to be completed by end-2008 and construction to start in early 2009. The consultant will assist PMU-3 and Kampot and Kep PDPWTs to complete resettlement by the end of 2007.

23. It is estimated that the periodic maintenance work for NR33 from Kampong Trach to Preak Chek will require 18 months to complete. Routine maintenance work for NR31 and NR33 will cover a period of 3 years.

3. Procurement

24. Procurement of all ADB and AusAID financed works will be in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). Separate civil works contracts will be procured for (i) the improvement of NR33 between the border with Vietnam at Preak Chak and Kampong Trach; (ii) the cross-border facilities at Preak Chak; (iii) the cross-border facilities at Koh Kong, and (iv) replacement of bridges and culverts along the Kampong Trach – Kampot road section. These contracts will be procured using international competitive bidding (ICB) procedures. Civil works under the maintenance component will be suitably packaged through a number of contracts, where contracts costing up to and less than \$1 million may follow National Competitive Bidding (NCB) procedures acceptable to ADB. Both ICB and NCB procedures will be subject to prior review, postqualification will be used to confirm that contractors have adequate technical and financial capabilities. All contracts procured under ICB procedures and contracts for consulting services will be subject to prior review by ADB, unless otherwise agreed between the RGC and ADB and set forth in the Procurement Plan. Documentation for the first contract procured under NCB will be subject to prior review by ADB; thereafter, post review will be required unless otherwise agreed. The procurement plan⁴ and details of proposed contract packages for the Project are set out in Annex 7. The RGC will use its own resources for financing the resettlement component of the Project hence procurement for these services and goods will be undertaken using government procurement procedures. All procurement will be managed by GDPW with assistance provided by the detailed engineering and supervision consultants.

4. Consulting Services

25. Consultants for the Cambodian component of the Project will be recruited under two packages. A firm of consultants will be recruited to undertake the Project Implementation services under a contract to be financed using AusAID grant funds. Recruitment for this package will follow the requirements of ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time) and use ADB quality and cost based recruitment procedures with full technical proposals. Using RGC counterpart funds, IRC will recruit an Independent Monitoring Organization. Details of contract packages, detailed cost estimates, and procurement procedures are in Annex 7, outline terms of references for the Project Implementation consulting services are in Annex 8. The Mission confirmed that advance

⁴ ADB requires MPWT to prepare a procurement plan to cover the first 18 months of the Project. This will be updated annually or as necessary.

contracting action for consulting services has been approved by ADB, but advised MPWT that approval does not commit ADB to finance the ensuing Project. PMU-3, as the implementing agency, is familiar with ADB procurement requirements and has performed satisfactorily under previous ADB funded projects. The Mission advised MPWT that preparation of draft request for proposal documents can commence based on the packages and detailed cost estimates in Annex 7 and the terms of reference in Annex 8.

5. Disbursement Arrangements

26. For funds made available from both the ADB loan and AusAID grant, disbursements for all contracts for consulting services and civil works that were bid under international competitive bidding procedures will be through direct payment procedures defined in ADB's *Loan Disbursement Handbook* (2007, as amended from time to time). Disbursements for incremental expenditures will be through an imprest account established for the Project. The imprest account will be held at a bank acceptable to the Government and ADB. The initial deposit to the imprest account will be based on estimated expenditures for the first 6 months of the project implementation or \$500,000, whichever is lower. The imprest account will be established, managed, replenished, and liquidated in accordance with ADB's *Loan Disbursement Handbook* and detailed arrangements agreed upon between the Government and ADB. The statement of expenditure (SOE) will be used to reimburse eligible expenditures and liquidate advances to the imprest account to ensure speedy Project implementation. The ceiling for the SOE is \$100,000 per payment.

6. Accounting, Auditing, and Reporting

27. PMU-3 will maintain separate records and accounts adequate to identify the goods and services financed from the proceeds of the ADB loan and the AusAID grant, the financing resources received, the expenditures incurred for the Project, an audit of resettlement expenditures, and the use of local funds. Within 6 months of the close of the each fiscal year, PMU-3 will submit audited annual Project accounts to ADB, which provide a detailed description of the source of funds and expenditures made. Annual Project accounts will be audited by an independent auditor acceptable to ADB, and the auditor's terms of reference will be approved by ADB before commencement of work. The audit results will be submitted to ADB and AusAID on an annual basis.

28. Regular progress reports on the Project will be prepared by PMU-3 and submitted to ADB and AusAID every quarter. They will include a description of the physical progress, status of implementation of resettlement plans, procurement and contractual status, and highlights of any implementation issues. The progress reports should also contain a summary of Project accounts, including details of the latest Project expenditures and contract amounts. These reports will include an evaluation of progress in implementing the Project. Within 3 months of physical completion of the Project, PMU-3 will furnish to ADB and AusAID a project completion report covering details of the Project implementation, costs, and an evaluation of the Project's success in meeting performance targets.

7. Project Performance Monitoring and Evaluation

29. PMU-3, assisted by the consultants, will establish systematic project performance monitoring and analysis throughout the life of the Project in accordance with ADB's *Project Performance Management System Handbook*, integrating it with the existing management information system. Initially, the monitoring system will develop and conduct sample surveys to establish baseline data for subsequent performance monitoring and will establish pre-Project social and economic living conditions for the direct Project beneficiaries. A second survey will be carried out immediately prior to Project completion and a third survey five years after Project completion. The baseline and impact surveys will include appropriate

control areas and will assess all interventions under the Project, including resettlement and other safeguard interventions that affect the livelihood of Project beneficiaries. In addition, a set of indicators reflecting transport costs, tariffs and mobility will be developed to assess the effects of improved access to the area. District indicators will include available agricultural productivity, economic activity, and health and education indicators. The impacts of development on the poor resulting from improved road access will receive particular attention.

8. Project Review

30. In addition to regular reviews by ADB and AusAID, a midterm review of Project implementation will be carried out. Representatives of ADB, AusAID and the Government will take part in the review. The review will allow for any necessary midcourse corrections.

F. Anticorruption Policy

31. ADB's *Anticorruption Policy* (1998) was explained to and discussed with MPWT and PMU-3. The Mission advised that, consistent with ADB's commitment to good governance, accountability and transparency, ADB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project. To support these efforts, relevant provisions of ADB's Anticorruption Policy will be included in the loan 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 ADB to audit and examine the records and accounts of the Executing Agency and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

32. It was agreed that in order to promote transparency and good governance, a Project specific website would be set up. This web site would include copies of all Project related documents, including information on how Project funds are being used. Access to this website would be made available to the public. Details of the procurement related information to be included on the web site are set out in the assurances section of this MOU. If a Project web page cannot be established within MPWT's existing website to which the Project consultant would have read/write access authority and to which there is unrestricted public access, then a separate Project website will be established.

G. Loan and Grant Documentation

33. It was agreed that the following agreements would be prepared for the Project:

- (i) A Financing Agreement between ADB and RGC for the ADF loan and the AusAID grant;
- (ii) A cofinancing agreement between ADB and the Government of Australia; and
- (iii) An exchange of letters between the RGC and the Government of Australia confirming the provision of the grant from the latter.

34. The Mission confirmed that cross-effectiveness will not be a condition in the financing agreement with the RGC and the loan agreement with the Government of Viet Nam.

H. Safeguard Documents

35. A meeting was held on 3 April 2007 between the Mission, MPWT and the Interministerial Resettlement Committee (IRC) to discuss the draft resettlement plan. Comments made by IRC on the draft plan were discussed and final revisions agreed. It was

agreed that IRC will submit the final resettlement plan to ADB for endorsement and will arrange for the resettlement plan and Public Information Brochures (PIB) to be distributed before 15 May 2007. Once the above actions have been completed the Mission requested MPWT to confirm this to ADB.

36. The Mission advised MPWT that the Initial Environmental Examination (IEE) for the Cambodian component and the Project Summary Initial Environmental Examination (SIEE) need to be revised to include the Koh Kong border facilities. It is expected that these revised documents will be available by 23 April 2007, the Mission requested that these revised documents be approved by the RGC and for MPWT to submit these documents for ADB's endorsement by 11 May 2007.

I. Conditions for Appraisal

37. In the loan fact-finding MOU four conditions for appraisal were agreed, in addition to the standard requirements for submission of a resettlement plan acceptable to ADB and disclosure of this resettlement plan. These four conditions for appraisal were: (i) that an updated draft of the Road Transport Policy be prepared; (ii) that an Inter-ministerial Committee for Reorganization (ICR) with authority to review and advise on the reform of MPWT be reestablished, (iii) that a proposal for the restructuring of MPWT be submitted by the Minister, MPWT, to ICR, and (iv) based on an annual maintenance plan and budget for 2007 for all the national and provincial roads, the MEF shall have authorized its Treasury Division to disburse an advance payment of 40% of the 2007 budget. The Mission advised MPWT that the documentation provided to the Mission setting out the actions taken to meet all of these four conditions was acceptable to the Mission. The Mission further advised that a proposal had been submitted to ADB Management requesting endorsement of the Mission's opinion that all four conditions had been complied with. The Mission committed to inform MPWT as soon as ADB Management's endorsement of this proposal had been received.

38. The Mission advised that after ADB Management had endorsed the proposal that the four conditions for appraisal had been met and all safeguards documents had been submitted and disclosed, then this pre-appraisal mission could be upgraded to appraisal.

J. Assurances

39. The Government has given the following assurances, in addition to the standard assurances included in ADB loan agreements:

1. Conditions for Loan Effectiveness

40. Based on the annual maintenance plan and budget for 2007 for all the national and provincial roads, as agreed to by the MEF-MPWT joint road maintenance planning committee, MEF shall have authorized its Treasury Division to disburse an interim second payment of 30% of the 2007 budget to the Provincial Departments of Public Works and Transport (PDPWTs).

2. Specific Assurances

a) Resettlement

41. The Government will ensure that MPWT (i) will engage resettlement and gender specialist consultants to assist in updating, implementing and monitoring the Resettlement Plan (and the Interministerial Resettlement Committee [IRC] will recruit an Independent Monitoring Organization) before commencement of any land acquisition activities; (ii) does not commence any land acquisition and relocation activities for a geographic area nor

commence any civil works in that geographic area until the updated Resettlement Plan for that section has been prepared following detailed design and the updated Resettlement Plan has been reviewed and approved by ADB; and (iii) carries out all resettlement activities in accordance with the updated Resettlement Plans agreed upon between the Government and ADB. For an updated resettlement plan, the Government will undertake a detailed measurement survey and derive updated compensation unit rates for all categories of losses and allowances. The Government will provide to ADB a final database of affected persons, a summary of the updated detailed measurement survey data, and replacement cost tables for each road, and formulation of appropriate rehabilitation measures for severely affected, very poor and other vulnerable groups. An updated Resettlement Plan must include only revisions to the entitlement matrix that are limited to (a) inclusion of new entitlements to address impacts not previously recognized, or (b) changes of mode of payment from cash to in-kind. The Resettlement Plan shall be prepared in compliance with ADB's *Policy on Involuntary Resettlement* (1995) and the Government's laws, regulations, and procedures. In case of discrepancies between the Government's laws, regulations, and procedures and ADB's Policy requirements, ADB's Policy requirements shall prevail.

42. The Government will ensure that Project-affected persons, including those from any host community, are compensated at replacement cost and assisted prior to displacement from their houses, land, and assets, such that they will be at least as well off as they would have been in the absence of the Project, and the poorest affected persons and vulnerable groups, including affected persons from ethnic minorities, are assisted to help improve their socioeconomic status.

43. The Government will ensure that MPWT confirms by letter to ADB that key information in the Resettlement Plan has been disclosed to the affected communities. Disclosure will be in the form and language that the affected communities can understand such as distribution of public information booklet and that copies of the full Resettlement Plan translated into Khmer language will be made available in an accessible place such as district and commune offices.

44. The Government will ensure that IRC approves and submits to ADB the Resettlement Plan.

45. The Government will ensure timely provision of counterpart funds for resettlement to meet any unforeseen obligations in excess of the resettlement budget estimates in order to satisfy resettlement requirements and objectives.

46. MPWT will ensure that civil works contractors are not issued a notice of possession for a geographic area until (a) compensation payment and relocation to new sites has been satisfactorily completed for that area, (b) agreed rehabilitation assistance is in place, and (c) the area is free of all encumbrances.

b) Social Issues.

47. The Government will ensure that the appropriate government agencies implement HAPP/HTPP activities.

48. MPWT will ensure that all civil works contracts under the Project incorporate provisions and budget to the effect that contractors (a) comply with all applicable labor laws and related international treaty obligations and do not employ child labor; (b) provide safe working conditions for male and female workers; (c) implement the provisions set forth in the Project-specific Gender Strategy; and (d) carry out HAPP/HTPP activities in the campsites.

c) Gender.

49. District-level resettlement committees established pursuant to the Resettlement Plans shall include representatives from the district-level Ministry of Women's Affairs. Commune-level resettlement committees established pursuant to the Resettlement Plan will include representatives from Provincial Departments of Women's Affairs, as well as female representatives from affected households, including women-headed households, and women from ethnic minority households. MPWT will ensure there are capacity building training programs to provide training to district-level and commune-level resettlement committee members, as well as female representatives from affected households, including women-headed households in order to provide, among other things, detailed information on resettlement activities, such as proposed relocation sites, entitlements, compensation and livelihood strategies for income improvement for affected persons, and grievance procedures.

50. The Government will ensure that (a) MPWT develops disaggregated monitoring indicators by gender and ethnic group for purposes of monitoring and reports, and (b) conducts gender sensitization training on gender and resettlement for its relevant staff, the district-level and commune-level resettlement committees, and the Provincial Departments of Women's Affairs. In any instance where land is acquired for affected households, the Government and MPWT will ensure joint registration of land or land use rights in the names of both the husband and wife.

d) Environment.

51. An Environmental Management Plan (EMP) has been prepared as part of the Initial Environmental Examination (IEE). The Government shall ensure (a) that specific provisions are included for the implementation of the EMP and its monitoring in civil works contracts, and in consulting services contracts, together with budget allowances for these provisions; and (b) the environmental mitigation measures in the IEE and the summary IEE will be adequately implemented by the contractors.

52. The Government shall ensure that the implementation of the EMP and the contractors' mitigation measures are adequately monitored and updated, when necessary, with semi-annual reporting to ADB and that all actions affecting the environment are carried out in accordance with ADB's *Environment Policy* (2002).

e) Governance

53. To ensure transparency and good governance, MPWT will publicly disclose on its website information on how loan and grant proceeds are being used, presenting procurement contract awards, including for each such contract (a) the list of participating bidders, (b) name of the winning bidder, (c) basic details on bidding procedures adopted, (d) amount of the contract awarded, (d) list of Goods and/or services purchased, and (e) intended and actual utilization of loan and grant proceeds under each contract. The website will be updated within four (4) weeks after each award of contract. If a Project web page cannot be established within MPWT's existing website to which the Project consultant would have read/write access authority and to which there is unrestricted public access, then a separate Project website will be established.

54. The MPWT will ensure that Project staff are fully knowledgeable of and comply with the Government's and ADB's procedures, including, but not limited to, procedures for (i) implementation, (ii) procurement, (iii) use of consultants, (iv) disbursement, (v) reporting, (vi) monitoring, and (vii) prevention of fraud and corruption.

f) Operation and Maintenance.

55. The MPWT will ensure that the Project-financed roads and bridges are maintained to design standards and in accordance with sound maintenance practices. The MPWT will ensure that annual road maintenance plans are prepared for the Project-financed roads and bridges, on the basis of maintenance standards, traffic volumes, and assessment of needs, as agreed between the Government and ADB.

56. Within 12 months of the award of the civil works contracts for the Maintenance Component, MPWT will revise force account rates to reflect the rates used in the above contracts. These revised rates will then be used for future budget requests for maintenance of the road system and revised annually to reflect current rates for competitively bid civil works contracts.

57. Within three months of the completion of rehabilitating and upgrading NR33 from Kampong Trach to Preak Chek, MPWT will assign responsibility for operations and maintenance to Kampot PDPWT.

g) Project Performance Monitoring and Evaluation

58. MPWT shall ensure the implementation of a systematic Project performance monitoring and evaluation system for use throughout the Project period and after as needed that indicates; (i) the effectiveness of Project implementation activities, including (a) the precise nature, timeliness, cost and quality of physical infrastructure implemented in the Project, (b) the integrity of resettlement and related programs, and (c) the extent to which the HAPP/HTPP is implemented as planned and its impacts; and (ii) the effectiveness of the Project with regard to its anticipated effect on economic and social development relative to the baseline prior to its implementation as indicated by changes in (a) per capita income in the Project area, (b) the volume and type of freight and number of passengers crossing the border between Cambodia and Viet Nam at Preak Chak and between Cambodia and Thailand at Koh Kong; (c) passenger and freight vehicle operating costs on roads improved under the Project and between key locations, (d) tariffs for freight and passenger movement between selected locations that indicate the impact of the Project on target groups in the community, (e) the quantity and type of traffic on roads improved under the Project, and the quantity and type of freight transported at selected locations, and (f) the processing time for passengers and for freight departing from Cambodia at the two border crossings improved under the Project. The impacts of development on the poor resulting from improved road access will receive particular attention. Baseline data shall be collected within 18 months of the Effective Date, with a second survey to be conducted immediately prior to Project completion and a third survey to be conducted five years after Project completion. The baseline and subsequent surveys shall draw on data collected during Project preparatory activities and data collected from traffic and travel surveys, household socioeconomic sample surveys, participatory rapid appraisals and secondary data from government sources. Where relevant, indicators shall be disaggregated by gender and socioeconomic status.

K. Loan Processing Schedule

59. The Mission advised that this Project is scheduled for presentation to the ADB Board in September 2007. After discussions with MEF and MPWT, an agreement was reached regarding a processing schedule to meet this deadline. This schedule includes key dates for actions required by MEF, MPWT, and the Mission; a copy is attached as Annex 9.

L. ADB Public Communications Policy

60. The Mission advised MPWT that as of 1 September 2005 the ADB's Public Communications Policy (PCP) came into effect. Under this policy all project information will be disclosed unless specific information meets the PCP's exceptions to presumed disclosure. The Mission advised MPWT that under the PCP prior government approval to disclose reports or other documents is not required. The scope of the PCP includes all project documentation including TA Final Reports; resettlement, environmental, and social development plans; legal agreements; RRP; progress reports; and project completion reports. The Mission also drew MPWT's attention to the PCP requirement that MOUs may be made available. However, if MPWT advises that a document contained information that meets the requirement of the PCP's exceptions then that information may be withheld from the document before it is disclosed. The Mission advised MPWT that the full text of the PCP is available on the ADB web site.

M. Next Steps

61. MPWT advised that it wishes to review the MOU and if necessary would provide further comments. It was agreed that MPWT would provide the RGC's comments by 27 April 2007. This MOU would be considered final once all comments had been addressed and agreed upon.

Signed in Phnom Penh on 6 April 2007

For Ministry of Public Works and Transport

For the Asian Development Bank Mission

Mr. Chhin Kong Hean
Director General, General Department of
Public Works

Paul Valley
Mission Leader

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ANNEX 1: LIST OF PERSONS MET BY THE MISSION**MINISTRY ECONOMY AND FINANCE, CAMBODIA**

- | | | | |
|----|--------------------|---|---|
| 1. | Mr. Chan Sothy | - | Director, Department of Investment and Cooperation |
| 2. | Mr. Chhuon Samrith | - | Chief of Asian Development Bank Division/DIC |
| 3. | Mr. Veth Bunthoeun | - | Deputy Chief of Bilateral Cooperation Office |
| 4. | Mr. Sim Samnang | - | Deputy Chief of Resettlement Unit |
| 5. | Mr. Sun Sokny | - | Division Chief (ADB and WB Projects), Resettlement Unit |

MINISTRY OF PUBLIC WORKS AND TRANSPORT, CAMBODIA

- | | | | |
|----|----------------------|---|-------------------------------|
| 1. | Mr. Chhin Kong Hean | - | Director General, GDPW |
| 2. | Mr. Pheng Sovicheano | - | Deputy Director General, GDPW |
| 3. | Mr. Sar Vutha | - | Administration Manager, PMU-3 |

ANNEX 2: DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
Impact <ul style="list-style-type: none"> Promotion of economic growth in the Project area and GMS by strengthening connectivity with neighboring countries and increasing competitiveness 	<ul style="list-style-type: none"> Average per capita income in Project affected provinces will reach the national average (Cambodia or Viet Nam, as appropriate) within 5 years of Project completion Total trading volume between Cambodia and Viet Nam will double five years after Project completion 	<ul style="list-style-type: none"> National and regional economic data and statistics International trade statistics Baseline and ex post surveys of household income levels in Project affected areas Project completion report and benefit monitoring and evaluation 	Assumptions <ul style="list-style-type: none"> GMS Cross-Border Transport Agreement (CBTA) is fully implemented
Outcome <ul style="list-style-type: none"> Reduce transport times and costs and induce more efficient movement of passengers and goods within the Project area and between GMS countries. 	<ul style="list-style-type: none"> Reduction in passenger and freight vehicle operating costs by an average of 30%, in real terms, within 5 years of Project completion Traffic on improved roads increases by 40% from 2006 within 5 years of Project completion Cross-border processing times of under 0.5 hours for passengers and under 2.0 hours for freight by Project completion Maintenance budgets in Cambodia based on market rates for activities 	<ul style="list-style-type: none"> Baseline traffic and transport cost data Traffic counts at border crossings and strategic points in the transport network Customs statistics Field surveys and interviews of road transport operators and road users Road maintenance budget allocation and expenditure reports 	Assumptions <ul style="list-style-type: none"> CBTA is fully implemented Reciprocal operating permits are granted to commercial passenger and goods vehicles Risks <ul style="list-style-type: none"> Harmonized cross-border inspection procedures are not implemented effectively Lack of maintenance funds and capacity to plan and manage road maintenance effectively

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks																					
Outputs 1. Completion of the road and bridge improvements enabling unrestricted passenger and freight transport 2. Border facilities constructed 3. HIV/AIDS and trafficking awareness and prevention programs completed on the Project road 4. Cambodia Maintenance Demonstration Project Completed	<ul style="list-style-type: none">Finalization, approval, and implementation of Resettlement Plans and Environmental Management Plans without delaysCivil works contracts awarded within 9 months of invitation for bidsUXO cleared prior to start of civil worksCompletion of civil works contracts on schedule, in compliance with conditions of contract and all defects rectified by end of defects liability periodAll vulnerable groups and contractor personnel have participated in HIV/AIDS/STD awareness and prevention programs.Periodic and routine maintenance contracts awarded after competitive bidding and completed in CambodiaMarket rates established for maintenance activities in Cambodia	<ul style="list-style-type: none">Resettlement monitoring reportsCivil works bid evaluation and award of contract reportsMonthly and quarterly progress reportsProject completion report	Assumptions <ul style="list-style-type: none">Procurement processes ensure bidders are qualifiedQuality management and cost control of civil works are effectiveProvincial authorities have the capacity to manage resettlement, environmental management and social action plans Risks <ul style="list-style-type: none">Insufficient number of bids are received from qualified, eligible biddersDelays in completion of procurement or resettlement delay start of constructionIncreased construction and resettlement costs reduce the scope of work achievable within the ProjectContractors fail to perform as required																					
Activities with Milestones Cambodia 1.1 Selection of detailed design and construction supervision consultant Target: Begin Q2 2007 and completed Q4 2007 1.2 Preparation of Detailed Designs and Bidding Documents Target: Begin Q4 2007 and completed Q2 2008 1.3 Bidding for Civil Works Contractors Target: Begin Q4 2007 and completed Q4 2008 1.4 Civil Works for Road and Bridges Target: Begin Q1 2009 and completed Q2 2010 1.5 Implement Resettlement Plans and Project Specific Gender Strategy Target: Begin Q1 2009 and completed Q2 2010 2.1 Civil Works for Cross-Border Facilities Target: Begin Q1 2009 and completed Q4 2010 3.1 Implement HIV/AIDS and trafficking awareness and prevention programs Target: Begin Q1 2009 and completed Q4 2010 4.1 Prepare Maintenance Demonstration Component Target: Begin Q2 2008 and completed Q3 2008			Inputs <table><tr><td>Cambodia</td><td>\$7.0 million</td><td>ADB</td></tr><tr><td></td><td>\$7.8 million</td><td>AusAID</td></tr><tr><td></td><td>\$3.7 million</td><td>RGC</td></tr><tr><td>Viet Nam</td><td>\$75.0 million</td><td>ADB</td></tr><tr><td></td><td>\$25.0 million</td><td>AusAID</td></tr><tr><td></td><td>\$50.0 million</td><td>EDCF</td></tr><tr><td></td><td>\$37.5 million</td><td>GOV</td></tr></table>	Cambodia	\$7.0 million	ADB		\$7.8 million	AusAID		\$3.7 million	RGC	Viet Nam	\$75.0 million	ADB		\$25.0 million	AusAID		\$50.0 million	EDCF		\$37.5 million	GOV
Cambodia	\$7.0 million	ADB																						
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	\$3.7 million	RGC																						
Viet Nam	\$75.0 million	ADB																						
	\$25.0 million	AusAID																						
	\$50.0 million	EDCF																						
	\$37.5 million	GOV																						

4.2 Implement Maintenance Demonstration Component

Target: Begin Q4 2008 and completed Q4 2011

Viet Nam

1.6 Selection of detailed design and construction supervision consultant

Target: Begin Q2 2007 and completed Q4 2007 – ADB Component

Target: Begin Q2 2007 and completed Q4 2007 – Korean Component

1.7 Preparation of Detailed Designs and Bidding Documents

Target: Begin Q4 2007 and completed Q4 2008 – ADB Component

Target: Begin Q4 2007 and completed Q4 2008 – Korean Component

1.8 Bidding for Civil Works Contractors

Target: Begin Q3 2008 and completed Q4 2008 – ADB Component

Target: Begin Q3 2008 and completed Q4 2008 – Korean Component

1.9 Civil Works for Road and Bridges

Target: Begin Q1 2009 and completed Q4 2011 – ADB Component

Target: Begin Q1 2009 and completed Q4 2011 – Korean Component

1.10 Implement Resettlement Plans and Project Specific Gender Strategy

Target: Begin Q1 2009 and completed Q2 2010

2.2 Civil Works for Cross-Border Facilities

Target: Begin Q1 2009 and completed Q4 2011

3.2 Implement HIV/AIDS and trafficking awareness and prevention programs

Target: Begin Q1 2009 and completed Q4 2011

ADB = Asian Development Bank, AusAID = Australian Agency for International Development; CBTA = GMS Cross-Border Transport Agreement, GOV = Government of Viet Nam, RGC = Government of Cambodia, HIV/AIDS = human immunodeficiency virus/acute immunodeficiency syndrome, EDCF = Economic Development Cooperation Fund (Korea), STD = sexually transmitted diseases, UXO = unexploded ordnance.

ANNEX 3: SUMMARY OF PROPOSED CIVIL WORKS

A. Project Scope

1. The scope of the GMS Southern Coastal Corridor (GMS—SCC) Project extends from Kampot, in Cambodia, to the Cambodia – Viet Nam border at Preak Chak – Xa Xia, to Ca Mau in Viet Nam. Under the Cambodian component the Project will undertake improve and rehabilitate sections of National Route (NR) 31 and 33. This work will include periodic maintenance work on the Kampot – Kampong Trach section and upgrading of the Kampong Trach – Preak Chak section. Border facilities at the Preak Chak – Xa Xia and the Koh Kong borders will be improved under the Project. Under the Viet Nam component, the Project will comprise of development of Stage 1 of the GMS—SCC Project which includes improvement of a short section of QL80 between the border at Xa Xia and Ha Tien and development of the Corridor between Minh Luong and the access road to the Khanh An Industrial Zone west of Ca Mau city.

B. Cambodian Component

1. Road Improvement and Cross Border Facility

2. In the Cambodian component of the Project Improvement works are divided into three sub-projects:

- (i) Improvement of NR33 between Preak Chak and Kampong Trach (15km);
- (ii) Repair and widening of bridges between Kampong Trach and Kampot (22 structures); and
- (iii) Development of new Cross Border Facilities (CBF) at Preak Chak and Koh Kong.

3. NR33 will be improved to a national road standard with a 2x3.5m carriageway, 2x1.5m sealed shoulders and 2x0.5m verge from the border with Viet Nam, including the steel bridge in the Viet Nam – Cambodia border neutral zone, to the intersection with NR31 in Kampong Trach. The civil works comprise widening of the existing embankment, construction of sub-base and base courses, and application of DBST surfacing. Drainage structures will be replaced or widened as needed. The intersection with NR31 will be enlarged to accommodate turning traffic and improve safety. Apart from the intersection, no re-alignment is required.

4. Sections of NR33 between Kampong Trach and Kampot have been improved under the World Bank Flood Rehabilitation Project. Two Bailey bridges are to be replaced: the collapsed bridge near Kampot with government funding and the short bridge in Kampong Trach has been proposed for funding by the Government of Japan. The remaining 22 bridges and culverts between Kampong Trach and Kampot are narrow and in poor condition. These bridges will be repaired and widened or replaced depending on the findings and recommendations of the consultants providing design and construction supervision services.

5. New CBFs will be constructed at Preak Chak and Koh Kong. At each border crossing the existing buildings will be demolished and a 4ha site developed between the neutral zone and Lork village, at Preak Chak, and the neutral zone and hotel developments at Koh Kong. New

immigration, customs, Camcontrol and quarantine, administration and staff quarters buildings will be constructed totaling approximately 5,000m². At Preak Chak and Koh Kong, parking areas and access roads will be constructed on either side of NR33 to separate truck activities and freight inspections from buses and cars. A similar arrangement will be constructed at Koh Kong on either side of NR48. Adequate lighting, power supply, water and sanitation services will be provided.

2. Road Maintenance Component

6. One of the major issues in the road sector in Cambodia is the lack of adequate maintenance of road assets. A number of studies and reviews have been undertaken on this issue, the most recent review being under TA 4691-CAM: Preparing the Transport Infrastructure Development and Maintenance Project. The issue is complex and includes legal, regulatory, organizational, and funding aspects. To address all aspects of the maintenance problem in Cambodia would require a large scale intervention that is beyond the funds available under the GMS—SCC Project.

7. The Project will contribute to the development of road maintenance by providing technical support to the Ministry of Public Works and Transport (MPWT) as follows:

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

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

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

10. The outputs of the above component will be a demonstration project on (i) maintenance planning, (ii) implementation of routine and periodic maintenance through competitively bid contracts, (iii) exposure of Cambodian contractors to contracts for routine

and periodic maintenance, (iv) exposure of MPWT and PDPWT staff to maintenance planning and implementation of this plan through competitively bid contracts, and (v) establishment of market rates for maintenance work that can be used to validate force account rates.

11. The components of the Project are summarized in Table A3.1 below.

Table A3.1. Corridor Sections - Cambodia

Component	Description of Works	Quantity
NR33 Improvement from the bridge in the border neutral zone to the intersection with NR31 in Kampong Trach	Reconstruct and widen existing embankment, construct drainage structures and provide DBST sealing to provide 7m carriageway with 2X15m sealed shoulders. Improve T-junction in Kampong Trach	15.1 km
NR33 Bridges between Kampong Trach and Kampot	Replace or widen short bridges and culverts to meet 11m roadway width	22 structures
Cross Border Facilities Preak Chak and Koh Kong	Develop two new cross border facilities comprising customs and immigration, Camcontrol and quarantine, administration and staff quarters, parking and circulation roads and utilities	Each facility on a 4ha site
Road Maintenance Component	(i) Periodic maintenance and repair of roadway between Kampong Trach and Kampot, (ii) implementation of routine maintenance program for entire NR33 between Preak Chak and Kampot and NR31 Kampong Trach to junction with NR3	111km

ANNEX 4: DETAILED COST ESTIMATES AND FINANCING PLAN

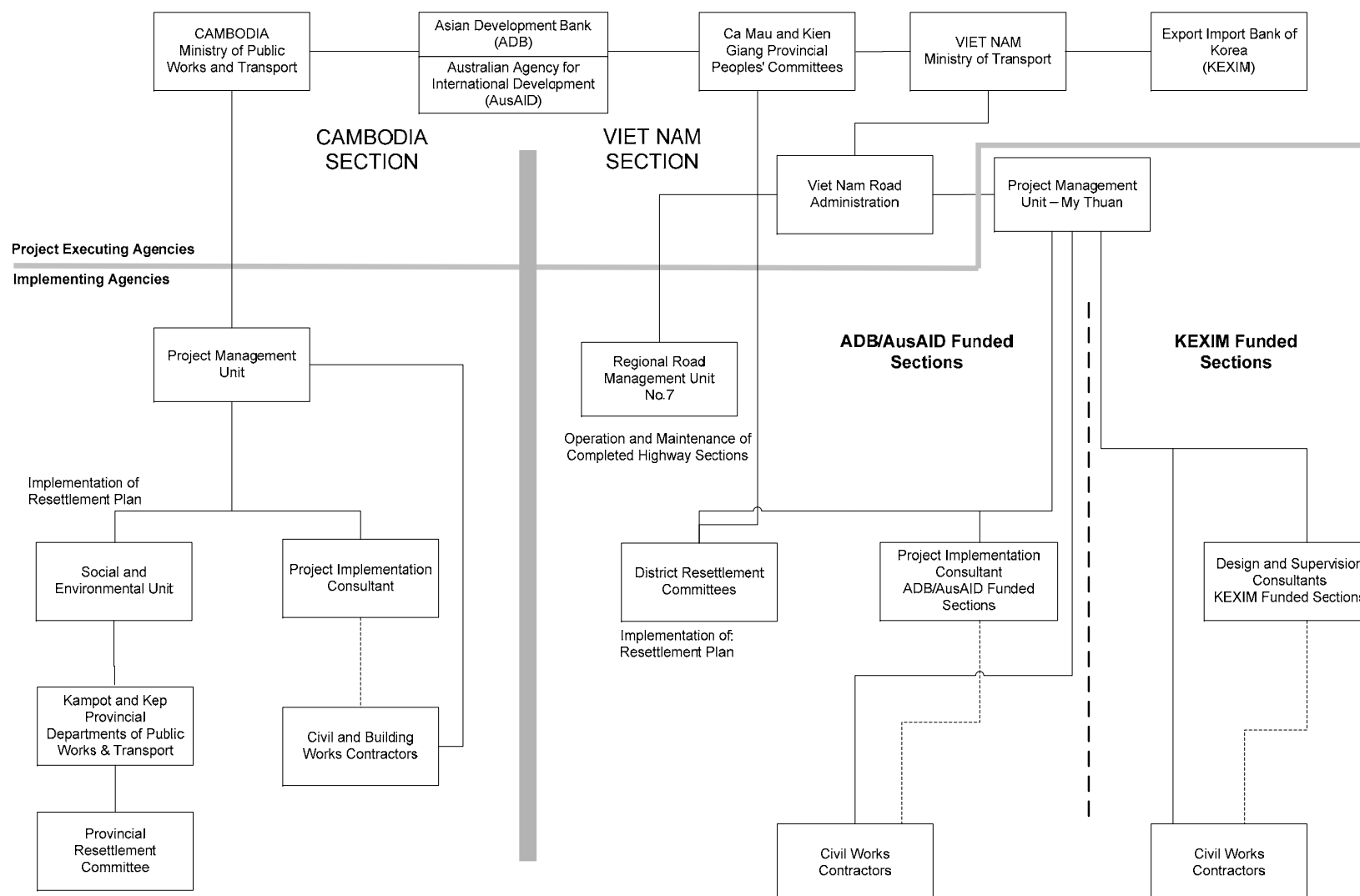
Item	Cost	ADB		AusAID		Government	
		\$	% of Cost Category	\$	% of Cost Category	\$	% of Cost Category
A. Investment Costs^a							
1 Civil Works	10.93	5.41	49.50%	4.57	41.80%	0.95	8.70%
2 Resettlement	0.93	0.00	0.00%	0.00	0.00%	0.93	100.00%
3 Consultants							
a. Detailed Design and Construction Supervision	2.22	0.00	0.00%	2.22	100.00%	0.00	0.00%
b. Resettlement Monitoring	0.06	0.00	0.00%	0.00	0.00%	0.06	100.00%
4 Taxes and Duties	1.33	0.00	0.00%	0.00	0.00%	1.33	100.00%
Subtotal (A)	15.47	5.41	34.97%	6.79	43.88%	3.27	21.16%
B. Recurrent Costs							
1 Project Administration	0.34	0.30	87.00%	0.00	0.00%	0.04	13.00%
Subtotal (B)	0.34	0.30	87.00%	0.00	0.00%	0.04	13.00%
Total Base Cost	15.81	5.71	36.09%	6.79	42.93%	3.32	20.98%
C. Contingencies	2.59	1.20	46.15%	1.01	38.96%	0.39	14.89%
D. Financing Charges During Implementation	0.10	0.10	100.00%	0.00	0.00%	0.00	0.00%
Total Project Costs	18.50	7.00	38%	7.80	42%	3.70	20.0%
% Total Project Costs	100%		38%		42%		20%

ADB = Asian Development Bank

^a In mid 2005 prices.

Source: Asian Development Bank Estimates

ANNEX 5: PROJECT ORGANIZATION AND IMPLEMENTATION ARRANGEMENTS



ANNEX 6: IMPLEMENTATION SCHEDULE – CAMBODIAN COMPONENT

[illegible]

ANNEX 7: PROCUREMENT PLAN AND CONTRACT PACKAGES

Table A7.1: Procurement Plan

Project Information

Country	Kingdom of Cambodia
Name of Borrower	Royal Government of Cambodia
Project Name	GMS: Southern Coastal Corridor Project
Loan or TA Reference	Loan:
Date of Effectiveness	Not decided
Amount US\$:	18.5 million US\$ (Project Cost Estimate)
Of which Committed, US\$	Loan not yet approved
Executing Agency:	Ministry of Public Works and Transport
Approval Date of Original Procurement Plan	Not yet approved
Approval of most recent Procurement Plan	-
Publication for Local Advertisements	Not decided
Period Covered by this Plan	September 2007 – February 2009

Procurement Thresholds, Goods & Related Services, Works and Supply and Installation

Procurement Method	To be used above (Value US\$)
ICB Works	>1 million
ICB Goods	>0.5 million
NCB Works	<1 million
NCB Goods	<0.5 million
Shopping Goods	<100,000
Direct Contracting	<100,000

Procurement Thresholds, Consultants Services

Procurement Method	To be used above (Value US\$):
Quality Cost Based Selection (QCBS)	>200,000
Consultants Qualifications Selection (CQS)	<200,000
Least Cost Selection (LCS)	<100,000
Exceptional Methods	
Recruitment of Resettlement Monitoring and Evaluation Consultants using Government of Cambodia recruitment procedures	

TABLE A7.2: LIST OF CONTRACT PACKAGES AND MODE OF PROCUREMENT

Contract Details		Approximate Value (\$ million)	Procurement Mode ^b
A. Civil Works^a			
1	Improvements to NR33	3.48	ADB-ICB
2	Cross Border Facilities (Preak Chak)	1.70	ADB-ICB
3	Cross Border Facilities (Koh Kong)	1.70	ADB-ICB
4	Kampong Trach - Kampot Bridges and Culverts	1.47	ADB-ICB
5	Maintenance Contracts (multiple)	5.01	ADB-ICB/NCB
Subtotal (A)		13.35	
B. Resettlement and Social Mitigation			
1	Multiple contracts	1.10	Government Guidelines
C. Consulting Services			
1	Project Implementation Consulting Services	2.22	ADB Guidelines - QCBS
2	Independent Resettlement Monitoring Agency	0.06	Government Guidelines
Subtotal (C)		2.28	
Total		16.74	

^a Civil Works including physical contingencies and taxes and duties

^b ICB and NCB procedures shall involve prequalification of bidders to be undertaken by MPWT using ADB Standard documents for Single-Stage One Envelope system. Outline of procedures explained below.

A. Procurement and Recruitment Procedures

1. Civil Works

1. For ICB contracts, the procurement method to be used will be single stage one envelope system, with post-qualification. For this purpose, the post-qualification documents (including the proposed post-qualification factors, methodology, and criteria) must be reviewed and approved by ADB before they are issued.

2. For each ICB contract, a full set of bid documents should be submitted to ADB for review and approval before issuance to bidders.

3. For NCB contracts, documents will be modeled on those developed for NCB under previous ADB funded Projects. This model is a single stage, single envelope model with postqualification. The first draft English language version of the procurement documents should be submitted for ADB review and approval regardless of the estimated contract amount, for subsequent contracts ADB will review the documents post award. ADB-approved procurement documents should be used as a model for all succeeding NCB contracts financed by ADB for the Project.

4. For all contracts, ADB will review the bid evaluation report (BER) and proposal for award of contract on a prior review basis. The EA must submit copies of the BER in English to ADB for approval.

2. Recruitment of Consultants

5. For services funded by either ADB or AusAID, the recruitment of consultants will follow the requirements of ADB's *Guidelines on the Use of Consultants* (2007). The EA shall use Quality and Cost Based Selection (QCBS), ADB's preferred method. For this, Full Technical Proposals (FTP) will be requested from shortlisted firms.

6. The EA is required to submit its short listing documents in ADB's standard format for ADB's approval. Apart from making sure the short list is composed of qualified firms that are reasonably geographically spread, ADB will review the following documents

- the TOR and background information,
- the RFP, including the EA's budget for the assignment, the selection method and the type of technical proposals,
- the criteria for evaluating the technical proposals,
- the draft contract, and
- the Consultant Recruitment Activities Monitoring (CRAM) frame.

3. Monitoring the Consultant Recruitment Process

7. The EA and the ADB will use CRAM frames to monitor the activities in recruiting the consultant and to avoid delays. Indicative CRAM frames based on forecasted scheduling of recruitment for consulting packages are included as an annex to the procurement plan.

8. ADB sends a copy of the CRAM frame for the assignment to the EA. The EA's CSC short-listing meeting then discusses and confirms the CRAM schedule. When the EA submits its CSC meeting documents to ADB for approval, the EA includes the CRAM frame.

9. If ADB approves the EA's technical evaluation and financial evaluation/overall ranking, ADB sends the EA an updated CRAM frame. The responsible EA staff member monitors the recruitment process and reports to the ADB Project officer the date when each activity is completed and the reason for any delays.

Table A7.3: Sample Consultant Recruitment and Monitoring (CRAM) frames

A. Loan No. and Title	Loan 2021-BAN: Road Network Improvement - Road Master Plan										Last edited by: Rafael E. Aquino on 17/05/2005 02:23 PM	
B. Contract Budget (US\$)	1,000,000											
C. Selection Method	QCBS											
D. Type of Technical Proposal	Full											
E. Executing Agency (EA)	Roads and Highways Department											
F. EA Contact Person	A.K.M. Faizur Rahman Initials: AFR											
G. Loan Supervision Division of RM	BRM											
H. ADB Project Officer	Stefan Ekelund Initials: SEK Project Assistant:											
I. ADB COCS Officer	Sivaguru Sahajananthan Initials: SS											
J. Actual Date of Short-Listing (SL) by EA	04/13/2005											

Activity			Responsible Staff	NORM Calendar Days	Planned		Actual			Deviation		Explanation and Action	
					Dates	Calendar Days	Cummulative Days	Achieved Date	Days	Cummulative Days	Days		Cummulative Days
1			2	3	4	5	6	7	8	9	10	11	12
From:			To:										
1	EA CSC-SL meeting	EA submitting shortlist to ADB	AFR	10	23/04/05	10	10	20/04/05	7	7	(-3)	(-3)	
2	EA submitting shortlist to ADB	ADB CSC-SL meeting	SEK	7	30/04/05	7	17	27/04/05	7	14	0	(-3)	
3	ADB CSC-SL meeting	Signing of the CSC-SL minutes	SEK	5	05/05/05	5	22	10/05/05	13	27	+8	+5	ADB Required resubmission of EA's draft RFP.
4	Signing of the CSC-SL minutes	ADB sending approval of the shortlist to EA	SEK	2	07/05/05	2	24	12/05/05	2	29	0	+5	
5	ADB sending approval of the shortlist to EA	EA issuing RFP	AFR	7	14/05/05	7	31	17/05/05	5	34	(-2)	+3	
6	EA issuing RFP	Proposal submission	AFR	45	28/06/05	45	76	01/07/05	45	79	0	+3	
7	Proposal submission	EA CSC-EV meeting	AFR	21	19/07/05	21	97	22/07/05	21	100	0	+3	
8	EA CSC-EV meeting	EA submitting technical evaluation report to ADB	AFR	10	29/07/05	10	107	27/07/05	5	105	(-5)	(-2)	
9	EA submitting technical evaluation report to ADB	ADB CSC-EV meeting	SEK	7	05/08/05	7	114	03/08/05	7	112	0	(-2)	
10	ADB CSC-EV meeting	Signing of CSC-EV meeting	SEK	5	10/08/05	5	119	06/08/05	3	115	(-2)	(-4)	
11	Signing of CSC-EV meeting	ADB sending approval of technical evaluation to EA	SEK	2	12/08/05	2	121	08/08/05	2	117	0	(-4)	
12	ADB sending approval of technical evaluation to EA	EA issuing invitation for public opening	AFR	7	19/08/05	7	128	13/08/05	5	122	(-2)	(-6)	
13	EA issuing invitation for public opening	Public opening	AFR	14	02/09/05	14	142	27/08/05	14	136	0	(-6)	
14	Public opening	EA signing of overall ranking minutes and submitting to ADB	AFR	21	23/09/05	21	163	17/09/05	21	157	0	(-6)	
15	EA signing of overall ranking minutes and submitting to ADB	ADB-CSC-OR meeting	SEK	7	30/09/05	7	170	24/09/05	7	164	0	(-6)	
16	ADB-CSC-OR meeting	Signing of CSC-OR minutes	SEK	5	05/10/05	5	175	09/10/05	15	179	+10	+4	ADB required reevaluation and resubmission.
17	Signing of CSC-OR minutes	ADB sending approval of overall ranking to EA	SEK	2	07/10/05	2	177	11/10/05	2	181	0	+4	
18	ADB sending approval of overall ranking to EA	EA issuing invitation for contract negotiations	AFR	3	10/10/05	3	180						
19	EA issuing invitation for contract negotiations	Commencement of contract negotiations	AFR	14	24/10/05	14	194						
20	Commencement of contract negotiations	Completion of contract negotiations	AFR	14	07/11/05	14	208						
21	Completion of contract negotiations	EA submitting negotiated contract to ADB	AFR	21	28/11/05	21	229						
22	EA submitting negotiated contract to ADB	ADB approval of the negotiated contract	SEK	5	03/12/05	5	234						
23	ADB sending approved negotiated contract	EA signing of the contract	AFR	14	17/12/05	14	248						
24	EA signing of the contract	Consultant mobilization	AFR	14	31/12/05	14	262						
Total number of days					262								

Footnotes:

- a. Activity NORMS [column 3] are based on calendar days
b. The base date for planning and monitoring is the date of Short-Listing by EA
c. PLANNED dates, days and cumulative days [columns 5 and 6 respectively] are derived from the NORMS and are computed as calendar days
d. ACTUAL achieved dates [column 7] are input by the responsible project officer from the concerned User Division
e. DEVIATIONS are computed in calendar days and cumulative calendar days [columns 10 and 11]

Guide for completing CRAM sheet:

- a. Row A-J and column 2-6 are completed by ADB
b. Columns 7 and 8 are completed by the EA
c. Columns 8-11 are automatically generated by ADB's CRAM System based on Column 7 inputs

Table 7.4: Detailed Cost Estimate for Project Implementation Consulting Services

Position	No.	Person-Months	Cost Estimate	
			Rate, \$/mth	Cost, \$
International Staff				
Detailed Design and Maintenance Planning				
Team Leader/Highway Engineer	1	4.0	18,000	72,000
Pavement Design Engineer	1	1.0	18,000	18,000
Senior Bridge Engineer	1	1.0	18,000	18,000
Road Maintenance Specialist	1	2.0	18,000	36,000
Soils and Materials Engineer	1	1.0	18,000	18,000
Environmental Specialist	1	1.0	18,000	18,000
Monitoring and Evaluation Specialist	1	2.0	18,000	36,000
Social, Gender, HIV/AIDS & Trafficking Specialist	1	2.0	18,000	36,000
Procurement Specialist	1	2.0	18,000	36,000
Resettlement Update and Implementation				
Resettlement Specialist	1	4.0	18,000	72,000
Construction and Maintenance Supervision				
Project Manager	1	18.0	18,000	324,000
Road Maintenance Specialist	1	3.0	18,000	54,000
Senior Bridge Engineer	1	3.0	18,000	54,000
Soils and Materials Engineer	1	3.0	18,000	54,000
Total International			47.0	846,000
Domestic Staff				
Surveys and Investigations				
Geotechnical Engineers	1	6.0	1,500	9,000
Surveyors	2	8.0	1,500	12,000
Bridge and Road Inventory Engineers	2	8.0	1,500	12,000
Monitoring and Evaluation Specialist	1	12.0	1,500	18,000
Detailed Design				
Chief Highway Engineer/DomesticTeam Leader	1	36.0	1,500	54,000
Geometric Design Engineer	1	4.0	1,500	6,000
Bridge Design Engineers	1	12.0	1,500	18,000
Hydrologist/Hydraulics Engineer	1	3.0	1,500	4,500
Geotechnical Engineer	1	3.0	1,500	4,500
Architect	1	6.0	1,500	9,000
Structural Engineer	1	4.0	1,500	6,000
Electical/Mechanical Engineer	1	4.0	1,500	6,000
Quantity Engineer/Quantity Surveyor	1	6.0	1,300	7,800
Environmentalist	1	5.0	1,500	7,500
Resettlement and HIV/AIDs Programme				
Senior Resettlement Specialist	1	6.0	1,500	9,000
Resettlement Specialists	1	6.0	1,500	9,000
Social and Gender Specialist	1	6.0	1,500	9,000
HIV/AIDS & Trafficking Specialist	1	5.0	1,500	7,500
Construction Supervision				
Resident Buildings Engineer	1	18.0	1,500	27,000
Resident Road Engineer	1	18.0	1,500	27,000
Resident Bridge Engineer	1	18.0	1,500	27,000
Resident Geotechnical Engineer	1	18.0	1,500	27,000
Resident Surveyors	1	18.0	1,500	27,000
Survey Crews	1	18.0	1,200	21,600
Measurement Engineers	1	18.0	1,500	27,000
Resident Inspectors	3	54.0	1,300	70,200
Project Information Systems/Web Manager	1	18.0	1,200	21,600
Total Domestic			374.0	538,200
			Total Fee	1,384,200
Reimbursables		No		
International				
Air fares	20		3,000	60,000
Per diem	47.0		2,000	94,000
Telecommunications	40		500	20,000
Domestic				
Geotechnical fieldwork	15		1,500	22,500
Hydraulic studies, topo surveys, materials investigations (big bridg	10		2,000	20,000
DMS marker posts	20		1,000	20,000
DMS survey	20		1,000	20,000
UXO survey	15		5,000	75,000
Office rent and utilities	20		2,000	40,000
Communications	20		500	10,000
Office transport	20		1,000	20,000
Field transport	20		1,000	20,000
Office equipment	1		10,000	10,000
Drawings	1		5,000	5,000
Reports	12		1,000	12,000
Per diems	100		20	2,000
M&E surveys	1		25,000	25,000
Community consultations	6		1,500	9,000
HIV/Trafficking Surveys	1		4,000	4,000
Brochures etc (HIV/Trafficking)	1		7,000	7,000
HIV/Trafficking Training, Seminars, and Workshops	1		6,000	6,000
Condoms	1		4,000	4,000
STD Treatment Kits	1		18,000	18,000
Miscellaneous Administration and Support Costs (HIV)	1		2,000	2,000
			Total Reimbursable	525,500
			Contingency	114,800
			Total Cost	2,024,500
			10% VAT	202,500
			Total	2,227,000

ANNEX 8: OUTLINE TERMS OF REFERENCE - PROJECT IMPLEMENTATION CONSULTING SERVICES

A. Introduction

1. The Government of Cambodia (GOC) will implement improvements in the Cambodian section of the GMS Southern Coastal Corridor with funding assistance from the Asian Development Bank (ADB) and the Government of Australia. The GMS Southern Coastal Corridor is a road corridor running along the Gulf of Thailand coast from Bangkok in the north through Thailand, Cambodia and Viet Nam to Ca Mau city in the south of Viet Nam. The road sections comprising the Corridor in Cambodia are shown in Table 1.

Table 1. Corridor Road Sections in Cambodia

Country	From – To	Road No.	Condition	Estimated km
Cambodia	Cham Yeam (Thailand-Cambodia Border) – Koh Kong		1900m bridge completed in 2003 as private sector project connects border to Koh Kong	10
	Koh Kong – NR48-NR4 Intersection	NR48	Being improved with Thailand assistance. Four private ferry crossing will be replaced with bridges with a grant from Thailand	138
	NR48-N4 Intersection – Veal Rinh	NR4	Improved in 1994 with USAID assistance	40
	Veal Rinh – Kampot	NR3	Veal Rinh – Kampot section being improved with Korea assistance, and improved with World Bank assistance.	52
	Kampot – Kampong Trach	NR33	Sections rehabilitated in 2002-2004 with World Bank assistance	36
	Kampong Trach – Preak Chak (Cambodia – Viet Nam Border)	NR33	Unsealed road requires improvement under SCCP. New border facility required on Cambodia side	15

2. During 2006, ADB provided a Project Preparation Technical Assistance¹ to carry out a feasibility study of the Kampong Trach – Preak Chak section of National Road NR33 and the Cross Border Facility on the Cambodia side to determine the scope of improvements required, and to prepare a Project suitable for implementation through financing by an ADB loan. Since that time, it has been agreed to also include the development of a border facilitate at Koh Kong, at the border with Thailand. The scope of the Project in Cambodia is summarized in Table 2.

3. The Technical Assistance also prepared a parallel project to develop sections of the Corridor in Viet Nam which includes improvement of National Highway QL80 which connects with Cambodia NR33 on the Vietnamese side of the border at Xa Xia. The Vietnamese road improvements will implemented by the Government of Viet Nam using domestic finance, loans from the ADB and the Government of Korea, and a grant from the Government of Australia.

4. The Project in Cambodia will be financed using GOC domestic finance, a loan from ADB (the Loan) and a grant from the Government of Australia provided through the Australian Agency for International Development (AusAID). The assistance from the Government of

¹ TA No. 6325-REG GMS: Southern Coastal Corridor Project, Final Report, December 2006.

Australia will be provided through a co-financing agreement with the ADB and will be administered by the ADB. Part of the proceeds of the AusAID grant will be applied to eligible payments for a single consulting services contract to provide assistance to the GOC to implement the Project.

5. The Ministry of Public Works and Transport (MPWT) will be the executing agency for the Project and will engage consulting services to assist in implementation of the Project as described in this Terms of Reference. MPWT will appoint PMU-3 as the Project Implementation Unit (PIU) responsible for the implementation of the project. Resettlement will be implemented by the Inter-ministerial Resettlement Committee (IRC) and the Social and Environmental Unit (SEU) of the MPWT. The Provincial Department of Public Works and Transport (PDPWT) for Kep and Kampot provinces will participate in the maintenance component of the Project.

Table 2: Scope of the Project in Cambodia

Component	Description of Works	Quantity
NR33 Improvement from the bridge in the border neutral zone to the intersection with NR31 in Kampong Trach	Reconstruct and widen existing embankment, construct drainage structures and provide DBST sealing to provide 7m carriageway with 2X15m sealed shoulders. Improve T-junction in Kampong Trach	15.1 km
NR33 Bridges between Kampong Trach and Kampot	Replace or widen short bridges and culverts to meet 11m roadway width	22 structures
Cross Border Facilities Preak Chak (at border with Viet Nam) and Koh Kong (at border with Thailand)	Develop two new cross border facilities comprising customs and immigration, camcontrol and quarantine, administration and staff quarters, parking and circulation roads and utilities	2 @ 4 Ha
Road Maintenance Component	(i) Periodic maintenance and repair of roadway between Kampong Trach and Kampot, (ii) implementation of routine maintenance program for entire NR33 between Preak Chak and Kampot and NR31 Kampong Trach to junction with NR3	111km

B. Objectives

6. The objectives of the consulting services are:

- (i) to assist the PIU to confirm the scope of improvements to be funded under the ADB loan;
- (ii) to prepare a feasibility study and architectural design for facilities at Koh Kong on the Cambodia side of the border with Thailand to support subsequent implementation of the component, and to facilitate preparation of improvements in Cambodia to the Preak Chak – Xa Xia international border crossing between Cambodia and Viet Nam for which a feasibility study is to be prepared under a separate contract;

- (iii) to prepare detailed engineering, cost estimates and bid documents suitable for either international competitive bidding (ICB) or national competitive bidding (NCB), as appropriate, and to assist in the evaluation of bids, for all projects to be implemented in Cambodia;
- (iv) to assist the SEU in the finalization and implementation of the Resettlement Plan;
- (v) to function as 'the Engineer' in administering all civil works contracts and ensuring completion of construction in accordance with the contract provisions;
- (vi) to assist the SEU in the implementation of an HIV/AIDS Awareness and Prevention Program and a Human Trafficking Prevention Program for the Project;
- (vii) to assist the PIU in ensuring compliance with the ADB Environmental Guidelines and environmental mitigation plans;
- (viii) to assist MPWT and PDPWT in the planning and implementation of a maintenance demonstration project on NR33 including periodic maintenance of existing road sections and a sustainable routine maintenance program for the entire NR33;
- (ix) to develop and implement a monitoring and evaluation program for the Project; and
- (x) to provide on-job-training training to MPWT staff in civil works construction administration, implementation of resettlement plans and monitoring of environmental management plans and other Project activities.

C. The Consultant

7. The services will be executed by an international consulting firm to be appointed by MPWT in line with the ADB Guidelines and Procedures for Selection of Consultants. The Consultant will engage the services of domestic consulting companies and individuals from the private sector as required.

D. Implementation Arrangements

8. The Consultant will work directly with the PIU in the preparation of detailed engineering designs, cost estimates and bid documents and with the SEU in the finalization and implementation of the Resettlement Plan.

9. The Consultant will establish a project office in Phnom Penh headed by a full-time Team Leader and also establish one or more field offices as required during construction.

E. Scope of Work

Part A. Finalize Scope of Work

10. The Consultant will assist the PIU to finalize the scope of the road, bridge and building works. The scope of work of the Consultants will include but not necessarily be limited to the following:

- (i) Conduct inspections of all roads, bridges and drainage structures on existing road sections to confirm the inventory and condition information collected during

TA 6235-REG. Confirm or modify as necessary the general scope of improvement works required.

- (ii) Carry out a road safety audit on the Project road sections and identify road engineering, traffic management, pedestrian facilities and other measures which need to be incorporated into the detailed designs to eliminate hazards.
- (iii) Review the status and plans for implementation of the GMS Cross-Border Transport Agreement (CBTA) by the GOC. Develop a concept scheme, building plans and vehicle parking and circulation for the cross-border facility at Koh Kong which will facilitate efficient passenger and cargo processing at the border, leading to a one-stop customs and immigration clearance procedure. Review and obtain approval by the relevant GOC agencies prior to beginning detailed design for the cross-border facilities at Preak Chak and Koh Kong.

Part B. Detailed Design

11. The Consultant will carry out detailed designs of the scope of work confirmed by MPWT and ADB for the road sections under the Project. Tasks will include:

- (i) Update the inventories of the roads prepared by TA 6235-REG, including geometric features, type and condition of drainage structures, including an estimate of their load carrying capacity, pavements, and other major features. Assess/quantify potential problems relating to land acquisition, cutting of trees, relocation of utilities etc. which should be addressed before tendering of construction contracts.
- (ii) Carry out topographic surveys, including horizontal and vertical alignments and cross-sections, establishment of horizontal control points, bench marks and permanent reference beacons as required for the preparation of detailed engineering designs to enable construction quantities to be accurately calculated.
- (iii) Prepare designs based on the Cambodia Road Standards including typical cross sections and pavement designs with application of sound engineering practice.
- (iv) Based on the findings of the Initial Environmental Examination (IEE) completed as part of TA 6235-REG, the road design team, working in consultation with the environmental specialist(s), should incorporate in the road designs measures to prevent/avoid or mitigate adverse environmental impacts predicted to occur during the construction periods.
- (v) Perform necessary investigations on materials found along the road alignments, with samples to be taken at suitable intervals; particular attention shall be paid to subsurface conditions at bridge sites through appropriate geotechnical surveys. This investigation should include bore holes at the new foundation positions and the cores should be logged sampled and tested.
- (vi) Investigate the suitability of locally available construction materials, and where necessary, locate new quarries and borrow pits and assess the quality and quantity of materials and hauling distance. Identify environmental management issues related to development and operation of these sites.
- (vii) Test soil samples by classification (liquid limit, plastic limit, and California Bearing Ratio); undisturbed samples shall be tested for the determination of the main mechanical characteristics. Construction materials shall be tested for grain-size

distribution and plasticity characteristics, unit weight and water absorption, Los Angeles abrasion, bitumen adhesion, petrographical analysis and chemical water analysis and any other tests deemed necessary.

- (viii) Carry out Cone Penetrometer Tests (CPT) at suitable intervals along the proposed alignment and the results analyzed to determine the residual strength of the pavement.
- (ix) Study the existing hydrological regime, based on an analysis of rainfall and flood records, including subsurface water characteristics supplemented by detailed field investigations, to establish adequacy of road embankment levels, culverts and side ditches. Where necessary, these structures should be modified to ensure they control sedimentation and erosion during construction and during subsequent road operation.
- (x) Assess cross drainage requirements and propose new structures, culverts, and causeways as appropriate or improvements to existing structures where these are otherwise structurally sound.
- (xi) On the basis of traffic counts and projected traffic levels, pavement structure studies, axle load considerations, determine the most cost-effective improvement option for each Project road section.
- (xii) Develop updated unit rates of construction for roads, bridges and culverts, including taxes and customs duties, taking into account the bid and completion costs of similar works recently undertaken in Cambodia.
- (xiii) Prepare detailed engineering designs and bill of quantities, and calculate detailed costs estimates for civil works, broken down into foreign (direct and indirect) and local components as well as taxes and customs duties. Specify actions and include costs of all environmental mitigation measures (culverts, temporary fencing, bunding, etc) in the construction Bill of Quantities.
- (xiv) Conduct a road safety audit on the engineering designs to ensure that safety hazards have been eliminated.
- (xv) For the undertake full topographic and site investigation surveys required to prepare detailed civil and building designs and bidding documents to allow the border crossings at Preak Chak and Koh Kong to operate using the procedures set out in the GMS CBTA.
- (xvi) Prepare detailed designs, drawings and specifications for (a) buildings at the cross border facilities at Preak Chak and Koh Kong (including a main Customs/Immigration building, and separate camcontrol/Health/Quarantine, Administration/Canteen/Staff Quarters as agreed during conceptual design), addressing foundations, layout, architecture, structures, electrical and mechanical services, and water and sanitation lines and connections, (b) vehicle parking areas, axle load control facilities, circulation roads, lighting, signage and stormwater drainage systems, and (c) power, water supply and sanitation systems to the serve the cross border facilities.
- (xvii) Prepare contract drawings; including road plans, longitudinal profiles, cross-sections, structural plans, and other details necessary to describe the scope of work for each contract package to bidders. Road plans should include all existing

features, expected land-take based on plotted earthwork limits and further right-of-way where different from existing.

- (xviii) Prepare contract bidding documents for international and national competitive bidding following the guidelines proposed by TA 6235-REG.
- (xix) In conjunction with the PIU, prepare realistic construction schedules showing anticipated progress of works and expenditures for the contract packages, as well as timing of environmental mitigation, monitoring and reporting actions; the schedules will reflect seasonal climatic effects at the work sites, and will take into account typical outputs on recent ADB financed road project of similar nature.
- (xx) Prepare an updated IEE and Environmental Management Plan (EMP) to take into account findings during detailed design. Ensure that bid documents include specific provisions to (a) minimize disruption/damage to the environment and local settlements due to construction, using the IEE and the findings during this work as a basis for these provisions, (b) require contractors to prepare and implement environmental management plans for quarry sites, borrow pits and dumping sites that they will operate for their respective contracts, and (c) engage and pay a sub-contractor to undertake HIV/AIDS awareness programs for contractors' staff.
- (xxi) Prepare procurement plans setting out details of proposed contract packages, procurement methods, and proposed schedule for procurement. Each plan is to cover a period of no less than 18 months and to be updated on a regular basis.
- (xxii) On completion of draft final detailed designs, prepare a Detailed Design Report setting out (a) design standards adopted, (b) rationale for major design decisions, (c) pavement design methodologies, and (d) updates to Procurement Plans.

Part C. Preparation of Bid Documents

12. The Consultant will prepare final bid documents for the contract package(s). The documents will include post-qualification criteria, invitation and instructions to bidders, standard and particular conditions of contract, specification, drawings, bill of quantities and other supporting documents. The new Procurement Guidelines and Standard Bidding Documents issued by ADB in 2006 will be used including the Contract for Construction for Building and Engineering Works Designed by the Employer, Multilateral Development Bank Harmonised Edition 2005, FIDIC.

13. The Consultant will print the necessary copies required by the PIU for bidding all contracts.

Part D. Completion and Implementation of the Resettlement Plan

14. The Consultant will assist the SEU in the finalization of the Resettlement Plan (RP) and to implement and monitor the RPs. Activities will include but not be limited to the following:

- (i) Following completion of detailed design for each Project component, update the RP prepared by TA 6235-REG. The updated RP will be approved by the IRC and submitted to ADB for review and approval. The updated RP will be in the form of a final database of affected persons, summary of the updated detailed measurement survey data, sub-project compensation charts replacement cost tables for each road networks.

- (ii) Prepare a RP for the cross border facility at Koh Kong if any resettlement need is identified during the initial investigation of the facility.
- (iii) Upon approval by ADB, assist the SEU to disclose the RP to affected communities and general public in a form and language they can understand and in an easily accessible place. This can be in a form of a public information booklet, a summary resettlement plan or a complete resettlement plan. The Public Information Booklet or summary resettlement plan will clearly state that copies of the complete RP (both in English and Khmer) are available to the public and can be obtained from the commune, district and provincial offices. The approved RP will be immediately uploaded on ADB resettlement website.
- (iv) Assist the SEU to implement information campaigns and stakeholder participation.
- (v) Assist the SEU to implement procedures for (a) minimizing adverse social impacts from land acquisition and loss of other assets throughout the planning, design and implementation phases (e.g., realign and adjust the pavement width and alignment and associated works, and incorporate the drainage into the road shoulder to reduce the need for physical displacement on houses and structures, validate drainage design to ensure they are appropriate for local conditions), (b) undertaking and completing census and detailed measurement survey of all losses, (c) coordinating resettlement and compensation activities on the various road sections, (d) participatory needs assessment for replacement assets (house plots, fish ponds, agricultural land, common property resources such as irrigation systems), (e) ensuring that at all stages of resettlement planning, management and monitoring, gender concerns are incorporated, including gender-specific consultation and information disclosure - this will include special attention to guarantee women's assets, property and land-use rights; and to ensure the restoration of their living and income standards, (f) tracking compliance with project policies, and (g) implementing promptly corrective actions and resolving grievances.
- (vi) Assist the SEU to implement detailed income restoration programs for people severely affected by loss of livelihood and income, including provision of agricultural extension assistance, skills training, micro-credit assistance, and development of replacement fish ponds or other income generation activity as compensation for lost land.
- (vii) Assist the SEU to implement (a) liaison mechanisms to ensure proper technical and logistical support to the Provincial Resettlement Committee, and (b) procedures for a management information system and ongoing internal monitoring.
- (viii) Coordinate with the Independent Monitoring Organization and ensure that the Terms of Reference are properly and effectively achieved.

Part E. Preparation and Monitoring of the Environmental Management Plan

15. The Consultant will update the environmental work completed during TA 6235-REG. An Environmental Management Plan will be prepared to guide the management of environmental impacts during construction.

16. The Consultant will monitor the inclusion of mitigation actions required during the design phase as defined in the IEE. Assist in preparing a schedule for the implementation of any

construction-related environmental mitigation and monitoring activities recommended in the IEE documentation prepared under TA 6235-REG and the Consultant's design team. Identified mitigation actions will become a part of the construction contract documentation and payment items will be included in contract Bills of Quantities, as appropriate.

Part F. Formal and On-the-Job Training on Resettlement, Social Assessment and Environmental Assessment and Implementation

17. Provide formal and on-the-job training for PIU, SEU and provincial resettlement committees (PRCs) related to resettlement, social impact/assessment, gender and environmental assessment;

- (i) provide training sessions on, but not limited to the following:
 - policies, procedures and best practices related to resettlement, social preparation, social impact/assessment, gender and social development
 - social assessment methodologies,
 - stakeholder analysis,
 - participatory rapid appraisal,
 - participatory monitoring and evaluation, and
 - basic social research methodologies;
- (ii) develop and implement capacity building strategy for the SEU and PRCs to sustain and coordinate all resettlement, social impact/assessment, gender and social development-related activities;
- (iii) familiarize, orient and prepare the SEU and PRCs to perform various tasks and responsibilities related to resettlement, social preparation, social impact/assessment, gender and social development;
- (iv) prepare resettlement, social impact/assessment, gender, ethnic minorities and social development training materials;
- (v) collate resettlement, social impact/assessment, gender, ethnic minorities and social development training materials/documents/reports; and
- (vi) prepare environmental impact assessment documents for additional works to those included in the IEE, prepare environmental management plans, develop environmental indicators, and undertake environmental monitoring.

Part G. Assistance in Procurement of Civil Works Contracts

18. Assist the PIU throughout the procurement of the ADB/AusAID financed component contracts by providing the following services:

- (i) assist in pre-bid meetings to answer questions from bidders and provide amendments to instructions to bidders as necessary;
- (ii) assist in the evaluation of qualification information submitted by interested bidders and the evaluation of bids including:
 - checking accuracy of bids,
 - checking technical and financial qualifications of bidders and the validity of bids,
 - assess management capacity,

- produce a list of compliant bidders,
 - check plant and equipment requirements of bidders, and
 - prepare bid evaluation reports and recommendations on contract awards; and
- (iii) assist in pre-contract discussions and review of securities submitted by bidders.

Part H. Construction Supervision

19. The Consultant will appoint a Project Manager/Chief Resident Engineer to act as the Engineer's Representative for the contracts.

20. As the Engineer's Representative, the Consultant's nominated Chief Resident Engineer will implement the civil work contracts and ensure that the works are constructed in accordance with its provisions. The Consultant will have all of those powers which are defined in the conditions of contract as being the Engineer, with the exception of the following, which will be retained and exercised by the Employer generally on the advice of the Engineer:

- (i) issuing the order to commence the works;
- (ii) approving variation order which have financial implications;
- (iii) approving significant variations in quantities;
- (iv) approving subletting of any part of the works; and
- (v) approving extensions of time.

21. In addition to all of the duties necessary for the adequate supervision of the construction activities on site, the Consultants' responsibilities will also include:

- (i) preparation of formal contract documentation; and
- (ii) contract administration.

22. In detail, the Consultants' responsibilities will include the following:

- (i) approve the contractor's work program, method statements, material sources, etc;
- (ii) prepare and issue reports as defined subsequently;
- (iii) approve and/or issue working drawings, approve the setting out of the works and give instructions to the contractor;
- (iv) take measurements and keep measurement records;
- (v) maintain records, correspondence and diaries;
- (vi) certify work volume and recommend interim certificates for progress payments;
- (vii) maintain consolidated Project accounts, and with preparation of financial statements and withdrawal applications for submission to the Bank;
- (viii) certify completion of past or all of the works;

- (ix) inspect the works at appropriate intervals during the defects liability period and issue the Defects Liability Certificate;
- (x) process the contractor's possible claims;
- (xi) ensure minimum disruption/damage to the environment and local settlements by approval of contractors' work statement/methodology. Monitor the impact of construction works on environment and local settlements and provide information PIU and ADB in the monthly progress reports;
- (xii) ensure that Contractors streamline and expedite the process of completing contract works, assembling supporting documents and finalizing as-built drawings, and closely monitor their performance in this respect;
- (xiii) provide the Employer with complete records, reports and approve contractors' as-built drawings for the works; and
- (xiv) provide advice and on-job-training to PIU staff in contract administration.

Part I. Maintenance Component

23. The Consultant will plan and assist the MPWT and the PDPWT for Kampot and Kepa to implement the maintenance component of the project. The Consultant will carry out the following activities:

- (i) undertake a condition survey of NR33 between Kampong Trach and Kampot;
- (ii) review current routine and periodic maintenance planning, budgeting and implementation methods being employed by the MPWT and the PDPWTs;
- (iii) develop options for repairs and periodic maintenance of the existing pavement, shoulders, embankment and side drainage to restore NR33 to a maintainable condition;
- (iv) evaluate options using a standard road planning computer program such as HDM-4 and determine the economically optimum road maintenance regime;
- (v) evaluate the technical and financial capacity of domestic road contractors in the region to carry out the recommended periodic and maintenance works;
- (vi) prepare model bidding documents for routine and periodic maintenance for use under competitive bidding procedures. It is intended that routine maintenance will be performed under a combination of performance-based and quantities contract suitable for domestic contractors;
- (vii) finalize the bidding documents for the identified works and assist the MPWT and the PDPWTs to invite and evaluate bids and award contracts;
- (viii) supervise the implementation of the periodic maintenance works as a sub-activity of Part I above; and
- (ix) assist the PDPWTs in implementation of contracted routine maintenance activities on the entire NR33.

Part J. Social Development, Gender and HIV/AIDS Awareness and Prevention Program and Human Trafficking Prevention Program

24. Particular attention is to be given to the role of women in the Project and the impact of Project activities on women, in particular resettlement. The Consultant will:

- (i) work with the PIU and with the involvement of pertinent community organizations to develop the gender strategy for the Project and support implementation of the strategy;
- (ii) address the links between gender and HIV/human trafficking, and ensure the gender strategy for the Project includes activities to reduce vulnerability and establishes effective links with the HIV/AIDS Awareness and Prevention Program and the Human Trafficking Prevention Program;
- (iii) develop capacity building training modules and conduct workshop and capacity building training on resettlement activities as indicated in the Project gender strategy for the Resettlement Committees at the District and Commune level;
- (iv) conduct Gender Sensitization training on Resettlement activities of the Provincial, District and Commune Resettlement Committees, and staff of the district level Ministry of Women Affairs;
- (v) conduct workshop/training for men and women from affected persons households on (a) commune and village level consultation process for resettlement, entitlement and compensation process, (b) leadership skills, (c) relocation related resettlement issues, (d) planning of livelihood activities;
- (vi) ensure that ethnic minority people, women headed households, women from the affected households have access to fair compensation and livelihood activities of resettlement plan;
- (vii) ensure women headed households, elderly women receive timely compensation in resuming their income earning activities;
- (viii) facilitate joint registration of land use rights in the names of husband and wife in instances where land will be acquired;
- (ix) establish appropriate mechanisms for consultation and grievance process with regard to resettlement programs for the women from the affected households;
- (x) with regard to construction activities, ensure that (a) men and women are paid equally for construction work for equal value, (b) basic facilities (eg proper water and sanitation) are provided in labor camps and child care facilities (on-site day care) are provided for women laborers by Contractors, and (c) camp facilities and work arrangements are safe for women and address women's potential vulnerability to HIV and sexual violence; and
- (xi) develop disaggregated monitoring indicators by gender and ethnic groups, conduct periodic field visits and prepare report on the implementation of gender and social issues.

25. The Project includes a HIV/AIDS Awareness and Prevention Program and Human Trafficking Prevention Program (HAPP/HTPP). The purpose of the HAPP/HTPP is to raise public awareness, address the risks and highlight multisector roles and responsibilities for

HIV/AIDS transmission and human trafficking among construction contractors and workers, sex workers, injecting drug users, local communities, transport service providers and truck drivers, local police and border officers and other road users. Experts engaged for this work should be highly experienced in social analysis and in monitoring and evaluating such programs and associated management monitoring and evaluating systems. The HAPP/HTPP will be implemented through the Provincial Committees for the Control of AIDS (PCCA) under the guidance of the SEU. Appendix A to this TOR sets out the responsibilities of the PCCA for the HAPP/HTPP. Appendix B sets out the responsibilities of the SEU for the HAPP/HTPP activities. These appendices are indicative in nature and will be further refined by the consultant during Project implementation.

26. The Consultant will ensure that the HAPP/HTPP components of the Project are effectively and efficiently implemented. The proposed design of the HAPP/HTPP is a new approach that seeks to draw on local resources and existing programs. The intent is that the work required for the HAPP/HTPP will be developed in a collaborative and ongoing manner with full participation of stakeholders. The consultant will be required to provide close support to both provincial and national organizations. Together with the PIU, undertake the following tasks and any other tasks identified as being necessary to achieve the objectives for the component:

- (i) during the Project inception phase plan the HAPP/HTPP component, including (a) confirmation of institutional arrangements for the program based on the indicative Appendices A and B,, (b) preparation of detailed implementation plans and budgets, and (c) determination of monitoring and evaluation needs and preparation of necessary processes and programs for PCCAs to arrange implementation of them;
- (ii) coordinate HAPP/HTPP activities with construction schedule and coordinate the work of PCCAs;
- (iii) establish adequate databases, data sources, monitoring performance indicators and baseline data based on HAPP/HTPP targets and anticipated outputs;
- (iv) provide training to PCCA staff in the evaluate and monitor HAPP/HTPP activities;
- (v) review and assess information on HAPP/HTPP prepared by the PCCA and recommend additional information where required (requirements for surveys will need prior approval from the PIU);
- (vi) prepare a mid-term review of the HAPP/HTPP, analyze the outcomes, compare them with those anticipated, and recommend corrective measures;
- (vii) prepare a final report providing analysis of HAPP/HTPP impacts, lessons learned, and recommendations for improving future programs associated with infrastructure projects; and
- (viii) provide inputs to the meetings and seminars as required.

Part K. Project Performance Monitoring

27. The Consultant will implement necessary systems and programs that will enable performance with regard to Project implementation to be monitored and the effect of the Project relative to those expected to be assessed. Specifically, the Consultant will:

- (i) provide and maintain a computerized project management system that will assist PIU to implement the project and provide information on project progress for routine reports and review missions;
- (ii) prepare a monitoring program that will enable the effectiveness of implementation activities of the Project to be assessed, giving particular consideration to (a) the precise description, timeliness, cost and quality of physical infrastructure implemented in the Project, (b) the integrity of resettlement and related programs, (c) the effectiveness of capacity building activities, and (d) the extent to which the HAPP/HTPP is implemented as planned and its impacts; and
- (iii) submit the proposed monitoring and evaluation program to the ADB and, through ADB, to AusAID for review and approval at the same time as the first Detailed Design Report; and
- (iv) implement the approved monitoring and evaluation program using 'before' and 'after' studies and other forms of survey and analysis, giving regard to its anticipated effect on economic and social development as indicated in the Design and Monitoring Framework for the Project including (a) changes in per capita income in the region affected by the Project, (b) the volume and type of freight and number of passengers crossing the border at each end of the Southern Coastal Corridor in Cambodia, (c) passenger and freight vehicle operating costs on roads improved under the Project and between key locations, (d) tariffs for freight and passenger movement between selected locations that indicate the impact of the project on target groups in the community, (e) the quantity and type of traffic on roads to be improved under the Project, (f) the origin and destination of vehicles and traffic at selected locations such as towards the eastern and western ends of the Southern Coastal Corridor in Cambodia, (g) the processing time for passengers and for freight crossing the border at each end of the Southern Coastal Corridor in Cambodia, and (h) the effectiveness of capacity building programs for staff associated with the Project.

28. In support of these activities, the Consultant will assist the PIU to assemble appropriate data prepared during TA 6235-REG and carry out additional necessary socioeconomic and other baseline surveys. During implementation, the Consultant will:

- (i) ensure that monitoring and evaluation specialists liaise with all other technical staff to develop and implement a comprehensive and effective monitoring and evaluation program;
- (ii) establish systems for recording data and statistics for such monitoring;
- (iii) plan surveys and identify the collection of other required data needed for the monitoring and evaluation program, drawing on for example traffic and travel surveys, household socioeconomic sample surveys, participatory rapid appraisals, social and environmental impact assessments and indicators, and secondary data from government sources. Where relevant, indicators shall be disaggregated by gender and socioeconomic status;
- (iv) implement baseline surveys and a second survey immediately prior to Project completion, and other surveys as may be required;
- (v) incorporate findings and supporting data in the project completion report; and

- (vi) evaluate the benefits of the Project in accordance with a schedule and terms of reference to be mutually agreed by the PIU and ADB.

F. Facilities

29. During the design phase, (i) furnished offices (hard furniture only), utilities, and administrative staff for the consultant will be provided in Phnom Penh without charge by MPWT, and (b) transportation and accommodation of the consultant's full time and short-term and international and domestic staff will be financed under the consultant's contract.

30. During the construction phase, (i) furnished offices (hard furniture only), utilities, and administrative staff will be provided in Phnom Penh for senior consultants without charge by MPWT, and (b) furnished field offices, material testing laboratories, field transportation (motorcycles) and their maintenance and utilities will be financed under the civil works contracts.

G. Reports

31. The Consultant will submit the following reports listed in Table 3 Reports shall be in English, with 5 copies provided to the PIU, 3 copies to ADB, and 1 copy to AusAID in Phnom Penh.

32. The Consultant will provide other reports necessary to support Project planning, approval and implementation activities including: road conditions, traffic, bridge and culvert condition, economic evaluation, safety audits, resettlement plans, environmental management plans, soils and materials investigations, etc.

33. The Project Completion Report (PCR) will contain evaluation on implementation arrangement for the design stage, project costs, schedules and procurement describing significant problems encountered during packaging, preparation of documents, evaluation of bids and recommendations to update implementation documentation prepared under TA 6235-REG in the light of experience gained during these services.

Table 3. Reporting Requirements

Report	Required by
Inception Report	end month 1
Progress Reports (including HAPP/HTPP activities)	monthly
CBF Concept Report	end month 3
Draft Final Engineering Designs and Bid Documents	end month 4
Detailed Engineering Design Report	end month 5
Updated Resettlement Plan	end month 5
Final Engineering Designs and Bid Documents	end month 6
Final Maintenance Component Report and Bid Documents	end month 6
Project Completion Report	end of services

34. Assist MPWT to establish and maintain a website for the Project that:

- (i) in pursuance of transparency and good governance, publicly discloses for each procurement contract within four weeks after each award of contract (a) the list of participating bidders, (b) name of the winning bidder, (c) basic details on bidding procedures adopted, (d) amount of the contract awarded, (d) list of goods and/or services purchased, and (e) intended and actual utilization of Loan proceeds under each contract; and

- (ii) makes other information on the Project such as reports and data available to the public.

H. Staffing and Other Inputs

35. The Consultant is expected to provide the personnel set out in Table 4 for the indicated duration. Consultants are to allow for the cost of provision of administrative and office staff,

Table 4: Project Implementation Consultant Inputs

Position	No.	Person-Months
International Staff		
Detailed Design and Maintenance Planning		
Team Leader/Highway Engineer	1	4.0
Pavement Design Engineer	1	1.0
Senior Bridge Engineer	1	1.0
Road Maintenance Specialist	1	2.0
Soils and Materials Engineer	1	1.0
Environmental Specialist	1	1.0
Monitoring and Evaluation Specialist	1	2.0
Social, Gender, HIV/AIDS & Trafficking Specialist	1	2.0
Procurement Specialist	1	2.0
Resettlement Update and Implementation		
Resettlement Specialist	1	4.0
Construction and Maintenance Supervision		
Project Manager	1	18.0
Road Maintenance Specialist	1	3.0
Senior Bridge Engineer	1	3.0
Soils and Materials Engineer	1	3.0
Total International		47.0
Domestic Staff		
Surveys and Investigations		
Geotechnical Engineers	1	6.0
Surveyors	2	8.0
Bridge and Road Inventory Engineers	2	8.0
Monitoring and Evaluation Specialist	1	12.0
Detailed Design		
Chief Highway Engineer/Domestic Team Leader	1	36.0
Geometric Design Engineer	1	4.0
Bridge Design Engineers	1	12.0
Hydrologist/Hydraulics Engineer	1	3.0
Geotechnical Engineer	1	3.0
Architect	1	6.0
Structural Engineer	1	4.0
Electrical/Mechanical Engineer	1	4.0
Quantity Engineer/Quantity Surveyor	1	6.0
Environmental	1	5.0
Resettlement and HIV/AIDS Programme		
Senior Resettlement Specialist	1	6.0
Resettlement Specialists	1	6.0
Social and Gender Specialist	1	6.0
HIV/AIDS & Trafficking Specialist	1	5.0
Construction Supervision		
Resident Buildings Engineer	1	18.0
Resident Road Engineer	1	18.0
Resident Bridge Engineer	1	18.0
Resident Geotechnical Engineer	1	18.0
Resident Surveyors	1	18.0
Survey Crews	1	18.0
Measurement Engineers	1	18.0
Resident Inspectors	3	54.0
Project Information Systems/Web Manager	1	18.0
Total Domestic		374.0

Appendix A: Indicative Terms of Reference for Provincial Committees for the Control of AIDS

1. Provincial Committees for the Control of AIDS (PCCA) are well established. They are responsible for coordinating and mobilizing resources in a multisectoral response to HIV/AIDS and trafficking. Committee membership includes the key provincial agencies for the fight against HIV/AIDS and human trafficking. This comprises the provincial Department of Health (DOH), Social Affairs, Veterans, and Youth Rehabilitation (DOSAVY), Women's Affairs (PWA), Education (PDE), Provincial Police, Department of Public Orders, Border Police, and Tourism.

2. The PCCA has overall responsibility for guiding implementation of the HAPP/HTPP for the Project, including the coordination of a multisectoral approach, disbursement of funds for workshops, materials, STI testing kits, condoms and other payments required to implement the HAPP/HTPP. The PCCA will collaborate with the Social and Environmental Unit (SEU) of the Ministry of Public Works and Transport (MPWT), and the Project Implementation Unit (PIU). Activities undertaken by the PCCA shall be done in collaboration with the Project Implementation Consultant and its team members responsible to assist with the HAPP/HTPP. This will include, but may not be limited to the following scope of activities:

A. Overall Plan Management

1. Inception Period

3. Three months prior to the commencement of implementation works, i.e., mobilization of the civil works contractors, the PCCA will:

- (i) prepare a detailed implementation plan and budget for the HAPP/HTPP for activities under components 1, 2 and 3 - the plan must be approved the PIU and ADB 3 months in advance of civil works commencing;
- (ii) initiate HAPP/HTPP activities by setting up working systems and procedures including reporting for overall management, and implementation of the technical components;
- (iii) prepare a baseline adequate for detailed planning, monitoring and evaluation of the HAPP/HTPP using updated information on HIV/AIDS and human trafficking (prevalence, resources available for prevention and control, high-risk behavior, target groups, and estimated population of each target group) for detailed planning and monitoring;
- (iv) refine and prepare a detailed implementation plan and budget for the HAPP/HTPP for activities under components 1, 2 and 3; and
- (v) discuss in detail with the construction companies', commercial and communities' representatives the prevention and education activities to be implemented at construction work sites and commercial areas within the local communities, and ensure access to these areas.

2. Construction Period

4. During the construction period the PCCA will:

- (i) maintain HAPP/HATP accounts, prepare the required financial statements, and maintain auditable records all accounts;

- (ii) manage HAPP/HTPP activities in close consultation with SEU under the supervision of the PIU;
- (iii) organize regular monitoring meetings with SEU/PIU, the construction companies, and local communities' representatives; and
- (iv) monitor and report to SEU/PIU and ADB on overall HAPP/HTPP implementation.

3. End of Construction Period

5. Upon completion of the Road Project, the PCCA will prepare a detailed HAPP/HTPP completion report including a long-term impact analysis of the programs.

B. Detailed Activities

1. Component 1 - Advocacy

6. The PCCA will raise awareness of the need to prevent and control HIV/AIDS transmission and inform about human trafficking prevention measures. Specific awareness will be raised and information provided to meet the prevention needs associated with the GMS-SCC road improvements. The PCCA will establish an advocacy program that reaches each target group of local communities, contractors, and business communities involved in the road section. The PCCA will employ a multisector approach and ensure commitment and cooperation from a wide range of stakeholders at district and commune level through the following activities:

- (i) organizing HIV/AIDS and trafficking prevention workshops to raise awareness of HIV/AIDS and trafficking prevention and control among construction workers, sex workers, local communities, truck drivers, local police, border officers and other road users;
- (ii) organizing a series of HIV/AIDS and trafficking consultation meetings specifically targeting each important stakeholder highlighting the role and responsibilities of each: construction companies, entertainment facilities, medical groups, communities, the provincial health department, provincial police, border authorities and business associations;
- (iii) ensure full commitment of and cooperation by the construction companies involved in the implementation of the Road Project to facilitate information dissemination at the worksites;
- (iv) design of an information campaign to be implemented along the road before and during construction commences; and
- (v) organizing an end of Project workshop to report on HAPP/HTPP activities and discuss lessons learned for prevention planning specifically designed for road developers and road users.

2. Component 2 – Information and Education Campaign

7. The PCCA will design and implement Information Education & Communication (IEC) and Behavior Change Communication (BCC) interventions to inform about HIV/AIDS and human trafficking risks and prevention measures, promote behavior change, community vigilance and access to preventive measures, including through the following activities:

- (i) delivering education campaigns through social marketing toward the target groups, which include construction workers, mobile and vulnerable populations, commercial sex workers (CSWs), injecting drug users, and local population, that aims to (a) increase awareness and responsibilities for HIV/AIDS and human trafficking prevention and control, (b) promotes safe sex, early diagnosis and treatment of sexually transmitted infections (STIs), and use of condoms, and which (c) addresses HIV and other health risks that are associated with injecting drug use, community vigilance and reporting for human trafficking;
- (ii) developing and implementing peer education systems at construction worksites and among construction workers, CSWs, mobile and vulnerable populations and providing necessary training on HIV/AIDS and trafficking prevention and control;
- (iii) ensuring that construction companies cooperate fully to allow construction workers to participate in peer education;
- (iv) referring trafficked cases identified through IEC activities to relevant agencies; and
- (v) identifying and implementing measures to ensure availability of condoms to construction workers and CSWs.

3. Component 3 - Provision of the Medical Packages

8. The PCCA will procure quality condoms and lubricants, STI treatment packages and HIV testing kits, and will work with DOH and local medical centers to ensure that construction workers, CSWs, and local communities receive quality STI services. Activities under this component will include the following:

- (i) identifying and implementing measures to ensure availability of condoms to construction workers and CSWs;
- (ii) in collaboration with the DOH, prepare updated protocols on STI treatment and voluntary testing and counseling (VTC);
- (iii) design and implement training sessions for health workers at construction work sites and health centers serving the local communities in the Road Project area;
- (iv) ensure STI treatment and VTC case recording;
- (v) ensure the procurement of STI treatment drugs and HIV testing kits to worksite medical units and local health centers;
- (vi) supervising distribution of STI treatment drugs and HIV testing kits, and providing medical services at construction work sites and local medical centers, and for those workers and others tested and diagnosed with HIV, providing referral to support, treatment and care, and information on their rights to ongoing employment; and
- (vii) ensure that systems are in place to ensure that those diagnosed with HIV are provided with or referred to (a) counseling and support services, (b) information about clinical support services and treatment options, including availability of antiretroviral therapy, treatments for opportunistic infections and treatments to prevent transmission of HIV from mother to child, and (c) information about rights to employment and protection from discrimination.

Appendix B: Indicative Outline Terms of Reference for the Social and Environmental Unit for the HAPP/HTPP

1. Specific responsibilities of Social and Environmental Unit (SEU) for the HAPP/HTPP include overall responsibility for the design and implementation of social safeguards required to mitigate potential negative impacts arising from the GMS-SCCP. This responsibility will include overseeing the implementation and monitoring of the HIV/AIDS Awareness and Prevention Program and Human Trafficking Prevention Program (HAPP/HTPP) in the Project area. The HAPP/HTPP will comply with the national strategies and laws for combating HIV/AIDS and human trafficking and will compliment provincial programs and district activities. In the execution of these duties SEU will:

- (i) oversee the implementation and monitoring of mitigating measure required by the HAPP/HTPP; and
- (ii) integrate the HAPP/HTPP with other Project activities and facilitate and coordinate the work of the PIU's social and environment team and the Consultant with regard to implementing and monitoring the HAPP/HTPP.

2. The SEU will be responsible for ensuring the implementation of appropriate environmental and social safeguards for the Project, including activities to mitigate potential negative impacts arising from the Project such as through the HAPP/HTPP.

3. In the execution of their duties, the social and environmental team in the PIU will collaborate with Project activities being undertaken by other people in the PIU, the Consultant undertaking the Consulting Services for Project Implementation (the Consultant) and PCCA to ensure that implementation of the HAPP/HTPP complies with the agreed design, implementation schedule and resource use. Implementation will require a particularly close association with the PCCA. Specific tasks for the PIU include, but may not be limited to, the following:

- (i) in cooperation with the Consultant provide support to the PCCA for the preparation of the detailed design for the HAPP/HTPP, including detailed implementation plan and financial reporting and monitoring requirements;
- (ii) ensure the PCCA undertakes appropriate consultations at provincial and district and village levels to obtain a consensus on the HAPP/HTPP and to ensure that agencies involved understand, endorse and are able to comply with the objectives, principles and procedures for implementation of the HAPP/HTPP;
- (iii) submit the HAPP/HTPP detailed implementation plan to the PIU, MPWT and ADB for review and approval, including plan implementation schedules and budgets for the HAPP/HTPP (the plan must be approved 3 months in advance of civil works commencing);
- (iv) prepared MOUs/contracts required to implement the approved HAPP/HTPP detailed design and ensure formal and documented approval of the HAPP/HTPP at provincial and district levels;
- (v) oversee and provide support as required to the PCCA and guide and assist the Committees in the execution of their specific responsibilities;
- (vi) liaise with other people in the PIU to ensure proper and timely disbursement of HAPP/HTPP funds to the PCCA;

- (vii) develop and implement an effective system for internal monitoring of HAPP/HTPP implementation and outcomes, in collaboration with other people in the PIU and with the PCCA. The scope of the monitoring system will include (a) establishment and maintenance of baseline data for benefit evaluation purposes, (b) tracking of resources, activities and schedules related to the HAPP/HTPP, and (c) evaluation of the outcomes and impacts of the HAPP/HTPP in the capacity of mitigating increases in the prevalence of HIV/AIDS and trafficking in the Project area;
- (viii) formulate appropriate measures, as required, to address any mistakes or shortcomings identified through monitoring of HAPP/HTPP implementation to ensure that the objectives of the HAPP/HTPP are met, and submit them management staff in the PIU and the Consultant for review and approval; and
- (ix) report at regular intervals, to be agreed, to management staff in the PIU and the Consultant on HAPP/HTPP activities.

ANNEX 9: LOAN PROCESSING SCHEDULE

Date	Asian Development Bank	Government of Cambodia
29 March – 6 April 2007	Pre-Appraisal Mission	MPWT to circulate pre-appraisal MOU to MEF for comments
27 April		MPWT advises ADB of comments on the MOU
9 May	ADB to advise MPWT of status of Vietnamese component with respect to agreement on the final scope of the Project in Viet Nam.	
21 May	Revise RRP to incorporate final Project design.	
W2 June	ADB Mission to incorporate GOV comments on MOU and circulate RRP paper for Staff Review Committee (SRC)	
W4 June	SRC review meeting	
W4 June	ADB to send final draft RRP (approved SRC draft) to MPWT	
W1 July		Loan negotiations approved
W3 July	Loan Negotiations	
W4 July	RRP submitted for editing	
W3 August	Final, edited RRP submitted to President for Approval	
W4 August	RRP submitted to ADB Board for Approval	
W3 September	Approval by ADB Board	
W4 September	ADB will inform MPWT and MEF of approval	
W4 October	Loan Signing	MEF to prepare documentation required for loan effectiveness
W1 December	Loan Effective	