

**Grant 0599-LAO: Second Greater Mekong Subregion Tourism Infrastructure for
Inclusive Growth Project**

Quarterly Progress Report No. 2

Reporting Period: 1 April– 30 June 2019

7 August 2019

Ministry of Information, Culture and Tourism

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Location map of subprojects

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Vientiane Province

LAO-V1 Nam Ngum Reservoir Access Improvements

LAO-V2 Kaeng Yui Waterfall Access Improvements

LAO-V3 Western Loop Rural Access Road and Bridge Improvements

LAO-V4 Vang Vieng Urban Renewal (street beautification etc)

LAO-V5 Vang Vieng Solid Waste Management Improvements



Champasak Province

LAO-C1 Nakasang Access Road and Port Rehabilitation

LAO-C2 Don Det-Don Khone Access Improvements

LAO-C1

LAO-C2

1. Basic Data

Grant number:	0599-LAO
Grant Amount:	USD 47,000,000
Board Approval:	31 August 2018
Financing Agreement Signed:	16 October 2018
Grant Effectiveness:	25 December 2018
Physical Completion Date:	31 December 2024
Grant Closing Date:	30 June 2025
Elapsed Grant Period:	6 months/72 months (8.33%)
Project Overall Progress:	10.55%
Recipient:	Ministry of Finance, Lao PDR
Executing Agency:	Ministry of Information, Culture and Tourism, Lao PDR
Implementing Agency:	Departments of Information, Culture and Tourism of Champhasak, Luang Prabang, and Vientiane Province, and the Vang Vieng Urban Development Administration Authority
Date of Last Review Mission:	N/A

2. Financing Plan and Allocation of Grant Proceeds

Financing Plan:

Source	Amount (\$mill)	Share of Total (%)
ADB Special Funds Resources	47	96.3
Government of Lao PDR	1.8	3.7
Total Project Costs	48.8	100

Detailed Cost Estimates by Expenditure Category and Financier:

The PAM table showing the Detailed Cost Estimates by Expenditure Category and Financier table is reproduced overleaf (page 5) for reference.

3. Status of Grant Utilization

Contract Awards and Disbursements:

As of 30 June 2019, based on LFIS

	2019 (\$ mln)					2020 (\$ mln)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
CA Projections	0	1.200	3.970	0.830	6.000	8.400	6.770	0.500	0.810	16.48
Cum CA Projections	0	1.200	5.170	6.00		14.400	21.170	21.670	22.480	
Actual CA	1.375	0.188								
Actual Cum CA	1.375	1.613								
Disb Projections	0	0.400	0.900	0.850	2.150	1.300	3.150	1.300	1.700	7.450
Cum Disb Projections	0	0.400	1.300	2.150		3.450	6.600	7.900	9.600	
Actual Disb	0	1.000								
Actual Cum Disb	0	1.000								

CA = Contract Awards; Cum = Cumulative; Disb = Disbursement; LGFIS = Loan and Grant Financial Information Services; mln = million; Q = quarter.

Weighted Progress, Contract Awards and Disbursement against Elapsed Time:

A graph showing cumulative weighted progress, contract awards and disbursement in percentage of total against elapsed time (by quarter) is presented on Page 6.

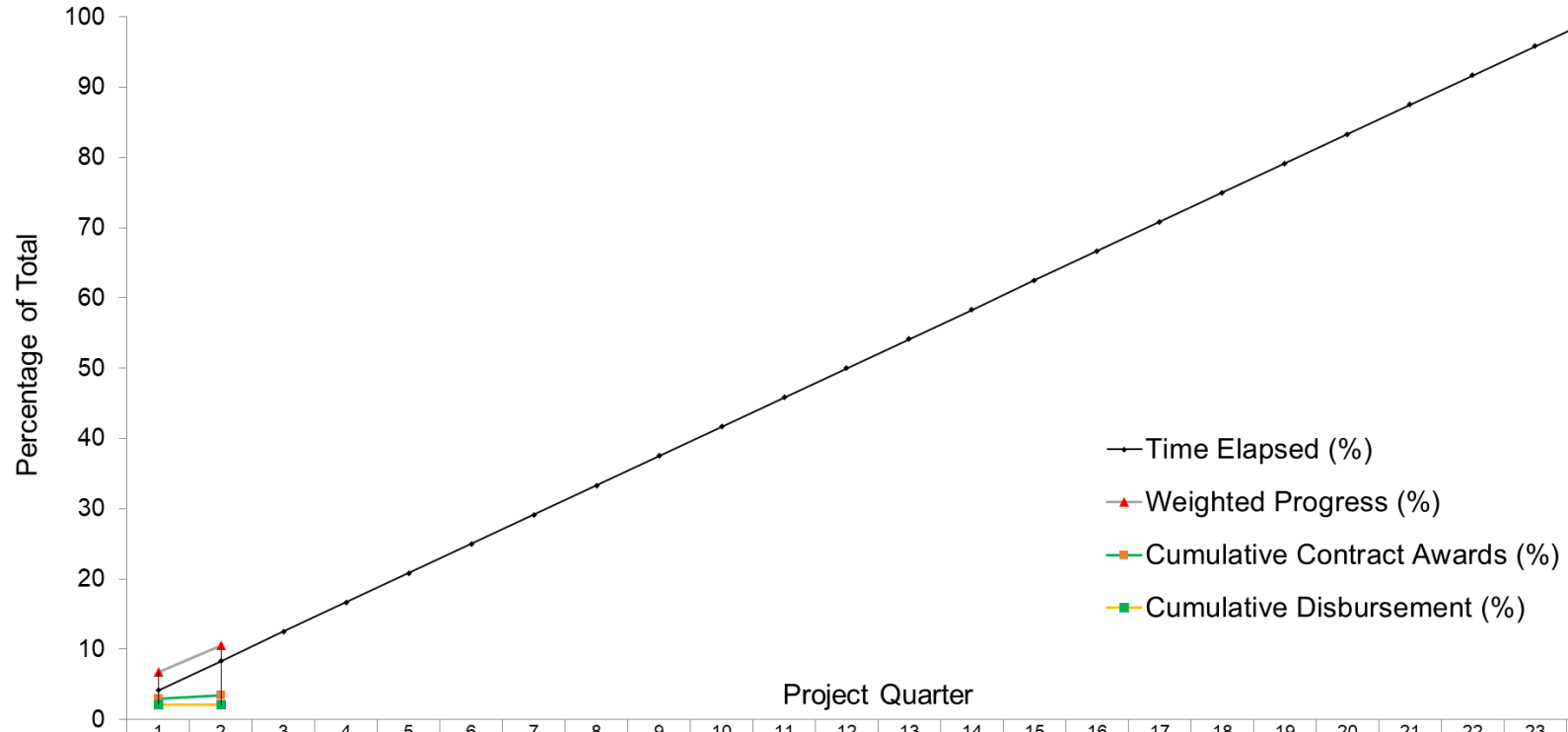
Detailed Cost Estimates by Expenditure Category and Financier

Item	ADB				Government of Lao PDR				Total Cost
	Amount	Amount (Taxes & Duties)	Total	% of Cost Category	Amount	Amount (Taxes & Duties)	Total	% of Cost Category	
A. Investment Cost									
1. Civil Works	26.98	2.70	29.68	100.0%	-	-	-	0.0%	29.68
2. Equipment and Vehicles	1.61	0.16	1.77	100.0%	-	-	-	0.0%	1.77
2. Consulting Services	4.01	0.40	4.41	100.0%	-	-	-	0.0%	4.41
4. Project Management	0.73	0.07	0.80	100.0%	-	-	-	0.0%	0.80
5. Capacity Building	3.13	0.31	3.45	100.0%	-	-	-	0.0%	3.45
6. Land Acquisition and Resettlement	-	-	-	0.0%	0.12	-	0.12	100.0%	0.12
Subtotal (A)	36.46	3.65	40.10	99.7%	0.12	-	0.12	0.3%	40.23
B. Recurrent Cost^a									
1. PCU and PIU Staff Cost	0.51	0.05	0.56	37.1%	0.87	0.09	0.96	62.9%	1.52
2. PCU and PIU Operations ^b	1.27	0.13	1.39	70.7%	0.52	0.05	0.58	29.3%	1.97
3. PCU and PIU Vehicles and Office Equipment	0.29	0.26	0.54	100.0%	-	-	-	0.0%	0.54
Subtotal (B)	2.06	0.44	2.50	62.0%	1.39	0.14	1.53	38.0%	4.03
Total Base Cost (A+B)	38.52	4.09	42.60	96.3%	1.52	0.14	1.65	3.7%	44.26
D. Contingencies									
Physical Contingency	1.89		1.89	97.0%	0.06		0.06	3.0%	1.95
Price Contingency	2.50		2.50	96.7%	0.09		0.09	3.3%	2.59
Sub-total (D)	4.40	-	4.40	96.8%	0.15	-	0.15	3.2%	4.54
Total Project Cost (A+B+C+D)	42.92	4.09	47.00	96.3%	1.66	0.14	1.80	3.7%	48.80
% of Total Project Cost			96.3%				3.7%		100.0%

^a The recurrent costs financed by ADB are in-cash and recurrent costs financed by the Government of Lao PDR are in-kind; ^b Externally hired staff, office supplies, and fuel.
Source: Project Administration Manual (PAM).

Weighted Progress, Contract Awards and Disbursement against Elapsed Time

As of 30 June 2019



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Time Elapsed (%)	4.17	8.33	12.50	16.67	20.83	25.00	29.17	33.33	37.50	41.67	45.83	50.00	54.17	58.33	62.50	66.67	70.83	75.00	79.17	83.33	87.50	91.67	95.83	100.00
Weighted Progress (%)	6.78	10.55																						
Cumulative Contract Awards (%)	2.93	3.43																						
Cumulative Disbursement (%)	2.13	2.13																						

Contract Awards by Category:

As of 30 June 2019

Category	Total ADB financing (\$ mln)	Contract Awards (\$ mln)	Uncommitted (\$ mln)
A. Investment Cost			
1. Civil Works	29.68	-	29.68
2. Equipment and Vehicles	1.77	0.13	1.64
2. Consulting Services	4.41	1.43	2.98
4. Project Management	0.80	-	0.80
5. Capacity Building	3.45	-	3.45
6. Land Acquisition and Resettlement	-	-	
Subtotal (A)	40.10	1.56	38.55
B. Recurrent Cost^a			
1. PCU and PIU Staff Cost	0.56	0.05	0.51
2. PCU and PIU Operations	1.39	-	1.39
3. PCU and PIU Vehicles and Office Equipment	0.54	-	0.54
Subtotal (B)	2.50	0.05	2.44
Total Base Cost (A+B)	42.60	1.56	40.99

^a The recurrent costs financed by ADB are in-cash and recurrent costs financed by the Government of Lao PDR are in-kind

^b Externally hired staff, office supplies, and fuel

ADB = Asian Development Bank; PCU is project coordination unit; PIU = project implementation unit.

Expenditure by Financier:

As of 30 June 2019

Expenditures	ADB (\$ mln)	Govt. (\$ mln)	Total (\$ mln)
Actual expenditure for Project Quarter 2 (Q2 2019)	0.299	0.00	0.299
Total expenditure up end of Project Quarter 2 (Q2 2019)	0.299	0.00	0.299

ADB = Asian Development Bank; Govt. = Government; mln = million.

Government financing:

The Government will finance: (i) government counterpart staff salaries and office space (in-kind); and (ii) land acquisition and resettlement (LAR) (in-cash). LAR costs are foreseen for two subprojects in Vientiane Province: (i) Nam Ngum Reservoir Access Improvements (\$8,678), and (ii) Western Loop Rural Access Road and Bridge Improvements (\$113,838). The PCU will request Vientiane Province to include the total LAR amount of \$122,516 in its budget request for FY 2021, which is due by 31 March 2020.

4. Implementation Arrangements

The GMS Tourism Working Group functions as the project's subregional steering committee and coordinates joint marketing and regional tourism standards adoption. A National Project Steering Committee, comprising the Vice Minister for Tourism, MICT (Chair) and senior officials representing the Ministry of Finance, Ministry of Foreign Affairs, Ministry of Planning and Investment, MICT, Ministry of Natural Resources and the Environment, Ministry of Public Works and Transport, Lao Women's Union, and Champasak, Luang Prabang and Vientiane Province Department of Information, Culture and Tourism (DICT), Department of Public Works and Transport, and Vang Vieng Urban Development Administration Authority (UDAA) has been established and will meet periodically to review progress and support interagency coordination. Members also serve, as appropriate, on the project's ad-hoc bid evaluation and consultant selection committees.

The executing agency is MICT. MICT has established a Vientiane-based Project Coordination Unit (PCU) to handle overall project coordination and management, comprising a project

director, project manager, financial controller, chief accountant, office manager, and an internal auditor, and a tourism technical team consisting of a tourism training and standards specialist, and a marketing specialist, who will lead output 2 ASEAN Tourism Standards activities and select output 3 destination management activities. MICT has opened and is managing a project Advance Account and is responsible for overall financial management of the project. ADB has disbursed \$1mIn into the Advance Account to facilitate implementation of project activities identified in the approved 2019 costed annual workplan for the project using the Statement of Expenditure (SOE) procedure.

Provincial- and district-level implementing agencies have established Project Implementation Units (PIUs), embedded within the provincial DICTs of Champasak, Luang Prabang, and Vientiane Province, and the Vang Vieng UDAA to manage output 1 and select output 3 activities. Each PIU comprises a supervisor, director, manager, finance officer, accountant and secretary, and full-time technical teams. The PIUs at the Champasak and Vientiane Province DICTs and at the at Vang Vieng UDAA have both an infrastructure technical team to coordinate and support output 2 implementation and manage select output 3 activities. Since there are no infrastructure subprojects in Luang Prabang Province, the PIU there only has a tourism technical team. PIUs have opened and are administering project sub-accounts to facilitate day-to-day project administration. Reporting, financial management, safeguards and knowledge management is led by the PCU in close coordination with all PIUs.

During this reporting period, PCU and PIU offices have been improved, outfitted and equipped, and workshops held with the four PIUs to review and discuss the first annual project workplan.

5. Implementation Progress

Project scope:

The project is designed to help transform secondary GMS central and southern corridor towns into economically inclusive, competitive international tourism destinations by improving road and water transport infrastructure, urban environmental services, and capacity to sustainably manage tourism growth. It will boost trade in services and deepen regional cooperation and integration among the GMS and Association of Southeast Asian Nations (ASEAN). About 88,000 residents are expected to directly benefit from climate-resilient infrastructure development and increased access to economic opportunities.

The project impact is sustainable, inclusive, and more balanced tourism development achieved. The outcome is tourism competitiveness of secondary towns in Cambodia and the Lao PDR increased. By 2025, Cambodia and Lao PDR's share of ASEAN's international visitor arrivals will increase from 8.0% to 8.3% and project areas will receive 700,000 more international tourists. This will increase aggregate annual visitor expenditure from \$0.55 billion to \$0.91 billion.

The project has three outputs: (i) urban-rural access infrastructure and urban environmental services improved; (ii) capacity to implement ASEAN tourism standards strengthened; and (iii) institutional arrangements for tourism destination management and infrastructure O&M strengthened. Project areas in Lao PDR include Champasak, Luang Prabang and Vientiane provinces, all located along the GMS Central Economic Corridor.

Progress to date:

Overall progress, progress towards outcome and outputs

The project baseline report, which will be prepared during Q3-4 following completion of the project performance management system (PPMS), will include updated 2018/2019 data for the outcome and output indicators, and updates will be included in the project's design and monitoring framework (DMF) (Annex 2).

Output 1: Urban-Rural Access Infrastructure and Urban Environmental Services Improved

Output 1 will upgrade transport infrastructure and improve environmental conditions at tourist destinations to boost tourist arrivals and receipts and catalyze additional private investment in accommodations and other tourism-related enterprises.

The Project includes the following seven infrastructure subprojects, which will be packaged into four work packages, as follows:

Works Package: TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements

Subproject C1: Nakasang Access Road and Port Rehabilitation

Subproject C2: Don Det-Don Khone Access Improvements

Works Package: TIIGP2-LAO-W02: Nam Ngum Reservoir Access Improvements

Subproject V1: Nam Ngum Reservoir Access Improvements

Works Package: TIIGP2-LAO-W03: Vang Vieng Urban-Rural Access Improvements

Subproject V2: Kaeng Yui Waterfall Access Improvements

Subproject V3: Western Loop Rural Access Road and Bridge Improvements

Subproject V4: Vang Vieng Urban Renewal

Works Package: TIIGP2-LAO-W04: Vang Vieng Landfill Improvements

Subproject V5: Vang Vieng Solid Waste Management Improvements

For Works Packages TIIGP2-LAO-W01 and TIIGP2-LAO-W01, detailed engineering design (DED), bill of quantities (BOQ), technical specification, bidding documents, updated safeguards documents, and recommendations for equipment for O&M have been prepared during project preparation by NorConsult under a contract with ADB. The Project Management and Civil Engineering Support Consultant (PMCES), Ramboll, engaged by MICT under the project, will review these documents and update them as needed immediately after mobilization, which is scheduled for 4 August 2019, and then get them ready for bidding. The target for having awarded both packages is December 2019, and construction is scheduled to commence in Q1 2020.

In parallel, the PMCES Consultant will proceed with preparation of Works Packages TIIGP2-LAO-W02 and TIIGP2-LAO-W03, including confirming scope of subprojects, preparing conceptual designs, conducting technical surveys, preparation of DED, BOQ, technical specification and updated safeguards documents, and providing inputs in the bidding documents, which will be prepared in collaboration with the Financial Management and Procurement Specialists (individual consultants engaged by the Project).

Progress of Output 1 civil works subproject implementation as of 30 June 2019 is summarized in Annex 1.

Output 2: Capacity to implement ASEAN Tourism Standards strengthened

Output 2 will: (i) support the ASEAN Tourism Standards national implementation by establishing and strengthening certification bodies and assessment frameworks, promoting and facilitating adoption of the standards by the tourism sector, and establishing sustainable financing mechanisms; and (ii) support the implementation of selected ASEAN Tourism Standards and the ASEAN Sustainable Tourism Awards.

2.1 National ASEAN Tourism Standards adaptation

The first step of implementing the ASEAN Tourism Standards in Lao PDR is to translate documents related to the standards (including the criteria and certification manuals), which exist in English, into the Lao language, and publish. During this reporting period, documents

related to the following standards were translated: ASEAN MICE Venue Standard, ASEAN Clean Tourist City Standard, ASEAN homestay standard, ASEAN Spa Service Standard, ASEAN Green Hotel Standard, ASEAN Community-Based Tourism Standard. The last remaining standard for which documents need to be translated is the ASEAN Public Toilet Standard, which is scheduled for the 2nd half of 2019.

Five of the seven standards (ASEAN MICE Venue Standard, ASEAN Clean Tourist City Standard, ASEAN homestay standard, ASEAN Community-Based Tourism Standard) have also been adapted into national standards. These national standards will provide more accessible, easier to obtain, certification requiring less than the ASEAN Tourism Standards, and could provide a stepping stone for future attainment of the ASEAN standards.

Output 3 progress: Institutional capacity for tourism destination management and infrastructure O&M strengthened

Output 3 will: (i) build capacity among public and private stakeholders in the tourism sector to sustainably develop, manage, and market tourist destinations; and (ii) build capacity for infrastructure operation and maintenance (O&M) through the preparation of O&M plans and training to implement the plans.

The project is supporting the establishment and capacity building of destination management networks (DMNs) for: Lao PDR (National DMN), Luang Prabang Province, Southern Laos (incl. Champasak, Sekong, Attapeu and Salavan Provinces), Vientiane Province and Vang Vieng Town. It is also supporting the subregional Lanexang Cultural Quadrangle, connecting provinces in Lao PDR and Thailand.

3.1 Destination Management Network Institutional Strengthening

3.2 Destination Management Plan Preparation

These two activities will: (i) establish and strengthen destination management networks (DMNs) for joint public-private destination planning and raise destination management practices to international standards, (ii) build capacity within these DMNs to strengthen/develop comprehensive destination management plans (DMPs); and (iii) strengthen policies and procedures needed to ensure the effective implementation of DMPs, including through joint implementation of Output 2 and 3 activities.

During this reporting period, an office for the national DMN, hosted by MICT, was established, outfitted and equipped. This office houses the national DMN secretariat, and is currently also the base of the National Destination Management Specialist the project has engaged as an individual consultant to support the project's destination management work.

To facilitate effective implementation of this project component, destination management capacity of MICT's Tourism Management Department, Vientiane Province Department and Vang Vieng District's Office of Information Culture and Tourism was strengthened through training workshops. Technical staff of MICT's Tourism Management Department also received training on hotel/accommodation management, including on the implementation of the ASEAN Green Hotel Standard. National-level DMN secretariat members also received training on workshop preparation, online updating of activity/project progress and other software, and presentation skills.

The Tourism Development Department conducted a workshop with participation of key tourism stakeholders, including the national-level DMN, to improve alignment of learning and teaching in the tourism sector, including teaching manuals, with the needs of the industry.

As key facilitators in the process of preparing and implementing the national-level Destination Management Plan (DMP) and Action Plans, MICT's four tourism department (Tourism

Development Department, Tourism Marketing Department, Tourism Management Department and the Tourism Hospitality Training Institute) received training on the preparation of a DMP, and subsequently participated in the preparation of the national-level DMP and its Action Plans.

During the Year 1 of the project (2019), the project plans to establish new DMNs in project target areas that do not yet have a DMN (Vientiane Province and Vang Vieng) and update and reinvigorate the DMNs in target areas that already have DMNs (the national-level DMN, Luang Prabang Province and Southern Laos), and to prepare new DMPs (for the period 2020-2025) for all these five destinations. To achieve this, a series of activities, including workshops, are scheduled in each destination. During this reporting period, for each destination, information was collected required to prepare the analytical part of the DMPs, followed by a workshop with broad stakeholder participation to prepare a first draft of the DMP. The national-level DMN has four active task forces on: (i) Tourism Marketing, (ii) Tourism development, (iii) Tourism Management; and (iv) Skills Development, and meetings were held with them as well to review the draft national-level DMP, action plans and to discuss project support for their implementation.

The project also supported the improvement of the Lao PDR office of the Lanexang Cultural Quadrangle Network, located at Manichan Food Garden, which is owned by the Vice-Chairman of Vientiane Capital Tourism Association and board member of the Lao Association of Travel Agents (LATA), and member of the Lanexang Cultural Quadrangle Network.

3.3 Policy, Regulation and Master Planning Support

This activity supports the work on tourism policy in the framework of the DMNs, the development of subregional, national and provincial/local-level tourism regulations and national-level tourism standards not covered by the ASEAN tourism standards, and the preparation and implementation of tourism master plans for project supported destinations.

During this reporting period, UNWTO's Global Code of Ethic of Tourism was translated into Lao PDR and published, which will be an important resource for the tourism policy and regulation work that is planned.

Staff from Luang Prabang DICT participated in a training on how to apply the community-based tourism standard prepared in the framework of the Lanexang Cultural Quadrangle initiative (adapted from the ASEAN Community Based Tourism Standard).

Progress was also made on the preparation of tourism master plans for Siphandone (4,000 Islands, Champasak Province), Nam Ngeum 1 Dam Recreational Area (Vientiane Province) and Luang Prabang Town and Environs. The procurement plan was updated to include three individual consultants to support this work, and TORs are drafted for these positions. Advertising will be done in Q3 and mobilization is expected in Q4 of 2019.

3.4 Destination Marketing and Promotion Support

This activity supports destination marketing and promotion, with a strong emphasis on public-private collaboration. It includes support for market research, branding, print and online promotion, including the use of social media, familiarization programs, and participation in tourism forums and trade events. Training for DMN members, including implementation of ASEAN guidelines for promotional materials, will also be provided.

One important aspect of this activity is to create an information and visual asset management system. During this reporting period, a start was made by collecting and organizing information and high-quality photos already in possession of MICT and relevant DICTs and partner organizations.

To support market research, the Tourism Development Department's Statistics and Administration Division is in the process of improving its statistics training manual.

Further, a training on how to use social media in the tourism sector was held with the participation of staff from MICT's four tourism departments.

3.5 Heritage Interpretation Support

This activity is supporting DMNs to carry out: (i) cultural and natural heritage research and interpretation, including the development of heritage trails, signage, leaflets, guidebooks, maps and digital interpretation; and (ii) heritage guide training.

During this reporting period, focus has been on content development for the mobile application for visitors to Lao PDR that is under preparation by MICT. For this, information was collected in Vang Vieng, Vientiane province and Luang Prabang, and photos to be used in the app were categorized and captions prepared.

3.6 Tourism-related SME development

This activity is providing tourism-related SMEs in the project target areas with: (i) business planning, management and marketing training; (ii) hospitality services training; (iii) support for product diversification, quality and safety enhancement; (iv) equipment to improve hospitality services and product quality and safety; and (v) tourism marketing and business networking.

During this reporting period, a consultation workshop was held with participation of SMEs to define sport activities to promote Lao tourism in 2020.

3.7 Establish and Maintain Internet-based Tourism Knowledge Repositories

This activity supports DMNs to establish Internet-based tourism knowledge repositories, including lists of DMN members and contact details, approved DMPs, DMN meeting reports, training materials, opportunities for financial and technical support, tourism statistics, and brand-related artwork, photo libraries, and standard copy promotional materials.

No related activities were implemented during this reporting period.

3.8 Develop infrastructure O&M plans with sustainable finance mechanisms

This activity will facilitate preparation of O&M plans for all output 1 infrastructure, incorporating (i) preventative, regular, and emergency maintenance procedures; (ii) O&M staffing and training needs; (iii) administrative requirements; (iv) monitoring requirements and procedures; (v) sustainable income generating mechanisms to finance O&M (e.g. environmental charges or tourist entry fees); (vi) opportunities for public-private partnerships; and (vii) financial management procedures.

No related activities were implemented during this reporting period.

3.9 Facilitate Public-Private Partnerships for operations and maintenance

This activity will: (i) prepare feasibility studies for operation of public tourist facilities and ancillary services that having potential to be privately managed under public-private partnerships (PPP); and (ii) establishing service contracts, management contracts, and/or lease contracts with private entities through public tender.

No related activities were implemented during this reporting period.

3.10 Infrastructure O&M training

This activity will develop and implement training activities for organizations responsible for infrastructure O&M, including government and private entities, tailored to the specific needs of each respective organization. Specific attention will be given to optimizing private sector involvement.

No related activities were implemented during this reporting period.

Progress towards realizing contributions to ADB Results Framework:

As of 30 June 2019

No.	Level 2 Results Framework Indicators (Outputs and Outcomes)	Targets (Lao PDR)	Methods / Comments	Actually planned / realized (Lao PDR)
1	Transport			
	a) Roads built or upgraded - provincial, district, and rural roads (kilometers)	62.6 km	Built or upgraded to concrete paving or double bituminous surface treatment.	No achievements to date
2	Water			
	a) Wastewater treatment capacity added or improved (cubic meters per day)	15.0 m ³	Septage treatment facility	No achievements to date
	b) Land improved through irrigation, drainage, and/or flood management (hectares)	24.5 ha		No achievements to date
	c) Households with reduced flood risk (number)	5,132		No achievements to date

ha = hectares, m³ = cubic meters, km = kilometers.

Performance monitoring:

The main tool to monitor project performance will be the Project Performance Management System (PPMS), which will establish systems and procedures for the systematic collection of baseline, progress and endline data and to report progress towards the project's outcome and output targets defined in the project Design and Monitoring Framework (DMF), gender equity results and data for economic and financial analysis and information needed to prepare photo stories and impact stories. Development of the PPMS will be led by the International and National Monitoring and Evaluation Specialists (individual consultants), which are currently being recruited and who will be mobilized early in Q3 2019.

The PCU is responsible for quarterly reporting on the performance of the project through quarterly progress reports to ADB against DMF targets and using the weighted project implementation table included in the PAM. The DMF contains outcome and output baseline and targets for Cambodia and Lao PDR combined. Progress towards DMF targets reported in the quarterly progress reports will reflect Lao PDR's attribution to these combined targets.

Progress as of 30 June 2019 towards DMF targets and activity implementation is presented in Annex 2. Updated implementation plan and weighted project progress are presented in Annex 3.

6. Financial Management

Disbursement Arrangement:

The Ministry of Finance has established a pass-through account for the grant to receive and track grant disbursements before passing funds on to the project's advance account and MICT

has established an advance account in US Dollars for the grant at the Banque Pour Le Commerce Extérieur Lao Public (BCEL), which is exclusively used for ADB's share of eligible expenditures. The four PIUs have set up project subaccounts for the ADB grant at local branches of the BCEL. Liquidation of the sub-accounts is subject to submission of full documentation to the PCU.

Advance Fund Procedure and Statement of Expenditure Procedure:

Upon approval of MICT's first Withdrawal Application and Estimate of Expenditure Sheet for ADB has disbursed \$1.0 million into the advance account on 2 April 2019. The PCU is using the Statement of Expenditure (SOE) procedure for the reimbursement of eligible expenditures or liquidation of advances to the advance account for individual payments up to \$100,000. As of 30 June 2019, the Project has spent the amount \$0.299 million and will be submitted to ADB for replenishment in August 2019. The advance account including the PIU subaccounts have an existing balance \$0.701 million.

Counterpart Fund:

The Government provides counterpart funds to finance (i) government counterpart staff salaries and office space (in-kind); and (ii) land acquisition and resettlement (in-cash). The PCU will be responsible for: (i) preparing disbursement projections; and (ii) requesting budgetary allocations for counterpart funds. The counterpart contribution will be recorded by the accounting software currently being developed.

Accounting:

The Project maintains separate books and records by funding source for all expenditures incurred on the project following international public-sector accounting standard for cash-based accounting and will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

The International and National Financial Management and Procurement Specialists (individual consultants engaged by MICT) are supporting procurement activities and are assisting the PCU with the establishment of the financial management system, including the preparation of the Financial Management Manual for the project, updating the accounting software that is being used for L3156-LAO (TIIGP1) to make it specific for G0599-LAO and to improve on its functionality to be better suited to meet the requirements of the project, particularly regarding budget and contract management, and reporting. The Project had a discussion with the software vendor for the possible enhancement of the TIIGP1 accounting software. The PCU financial management team is also receiving on-the-job training from the financial management team from L3156-LAO.

Auditing and Public Disclosure:

MICT has appointed a National Internal Auditor (individual consultant) to oversee all project financial transactions and advise on measures to improve compliance with ADB and Government financial regulations and the project Financial Management Manual. He will also support PCU and PIU financial management staff prepare for annual external audits.

The first annual external audit of the consolidated project financial statements will be undertaken, and the audited project financial statements together with the auditor's opinion, is due for submission to ADB within 6 months from the end of project Year 1 (2019), 30 June 2020. The audited project financial statements and auditor's opinion will be subject for disclosure in the ADB website.

Progress on implementation of the Project Financial Management Action Plan as of 30 June 2019 is presented in Annex 4.

7. Procurement

Procurement Plan:

The project's original 18-month Procurement Plan prepared during project preparation and included in the PAM (dated 22 May 2018) was updated on 22 March 2019, submitted on 9 April 2019 and approved by ADB on 10 April 2019. The 22 March 2019 version of the Procurement Plan is still the current version as of 30 June 2019.

Procurement of Goods and Works:

During this reporting period, procurement for the following goods contracts was completed and contracts signed:

Goods and Works							
Contract Number	General Description	Estimated Value ^a	Contract Value ^a	Procurement Method	Advertisement Date	Date of ADB Approval of Contract Award	Comments
TIIGP2-LAO-G01-01	PCU and PIU Vehicles (contract 01: 2 vehicles)	\$155,000	LAK 1,136,220,000 (\$132,349)	NCB	13 February 2019	11 April 2019	Contract 01 is for 1 SUV for PCU and 2 pickup trucks for PIUs Vientiane Province and Vang Vieng. Procurement for the remaining two vehicles will be initiated in Q4 2019. PCSS: G20440
TIIGP2-LAO-G02	PCU office furniture and equipment: Office Furniture		LAK 31,955,000	Shopping	1 February 2019	24 May 2019	Signed: 13 February 2019 PCSS: G20443
TIIGP2-LAO-G02-02	PCU office furniture and equipment: Office Equipment		LAK 17,200,000	Shopping	1 February 2019		Signed: 14 February 2019 PCSS:
TIIGP2-LAO-G02-03	PCU office furniture and equipment: Office Repair		\$3,500	Shopping	4 March 2019		Signed: 18 March 2019 PCSS:
TIIGP2-LAO-G02-04	PCU office furniture and equipment: Office Repair		LAK 49,170,000	Shopping	22 March 2019		Signed: 9 April 2019 PCSS:
TIIGP2-LAO-G02-05	PCU office furniture and equipment: Office Equipment		LAK 7,548,000	Shopping	27 March 2019		Signed: 11 April 2019 PCSS:

Goods and Works							
Contract Number	General Description	Estimated Value^a	Contract Value^a	Procurement Method	Advertisement Date	Date of ADB Approval of Contract Award	Comments
TIIGP2-LAO-G02-06	PCU office furniture and equipment: Office Furniture		LAK 33,000,000	Shopping	27 March 2019		Signed: 11 April 2019 PCSS:
TIIGP2-LAO-G07	Equipment for DMO Secretariats: Office Equipment		LAK 78,400,000	Shopping	4 March 2019		Signed: 19 March 2019 PCSS:
TIIGP2-LAO-G07-02	Equipment for DMO Secretariats: Office repair		\$4,300	Shopping	4 March 2019		Signed: 15 March 2019 PCSS:
TIIGP2-LAO-G07-03	Equipment for DMO Secretariats: Office furniture		LAK 2,310,000	Shopping	26 March 2019		Signed: 11 April 2019 PCSS:
TIIGP2-LAO-G07-04	Equipment for DMO Secretariats: Office repair		LAK 41,997,300	Shopping			Signed: 22 April 2019
TIIGP2-LAO-G03-VV01	PIU office furniture and equipment		LAK 45,782,000	Shopping	11 March 2019		Signed: 25 March 2019 PCSS:
TIIGP2-LAO-G03-VV02	PIU office furniture and equipment		LAK 56,760,000	Shopping	11 March 2019		Signed: 26 March 2019 PCSS:
TIIGP2-LAO-G03-VV03	PIU office furniture and equipment		LAK 23,593,000	Shopping	12 March 2019		Signed: 28 March 2019 PCSS:
TIIGP2-LAO-G03-VV04	PIU office furniture and equipment		LAK 39,864,000	Shopping	14 March 2019		Signed: 30 March 2019 PCSS:
TIIGP2-LAO-G03-LPB01	PIU office furniture and equipment		LAK 67,947,000	Shopping	31 May 2019		Signed: 14 June 2019 PCSS:
TIIGP2-LAO-G03-LPB02	PIU office furniture and equipment		LAK 97,747,000	Shopping	12 June 2019		Signed: 27 June 2019 PCSS:
TIIGP2-LAO-G03-CPS01	PIU office furniture and equipment		LAK 63,294,000	Shopping	10 June 2019		Signed: 24 June 2019 PCSS:
TIIGP2-LAO-G03-VP01	PIU office furniture and equipment		LAK 43,211,300	Shopping	12 March 2019		Signed: 26 March 2019 PCSS:
TIIGP2-LAO-G03-VP02	PIU office furniture and equipment		LAK 60,099,600	Shopping	12 March 2019		Signed: 26 March 2019 PCSS:

Goods and Works							
Contract Number	General Description	Estimated Value^a	Contract Value^a	Procurement Method	Advertisement Date	Date of ADB Approval of Contract Award	Comments
TIIGP2-LAO-G03 - VP03	PIU office furniture and equipment		LAK 62,421,348	Shopping	5 June 2019		Signed: 20 June 2019 PCSS:

^a Inclusive of income tax on fees and VAT on reimbursable expenses and provisional sums.

During this reporting period, procurement for the following goods packages was initiated and is ongoing on 30 June 2019:

Package Number	General Description	Estimated Value	Procurement Method	Advertisement Date	Estimated Contract Signing Date	Comments

NCB = national competitive bidding; PCU = project coordination unit; PIU = project implementation unit; TBD = to be determined.

Procurement for Works will be initiated after mobilization of the PMCES Consultant, scheduled for 1 August 2019.

A goods and works procurement monitoring table is presented in Annex 5.

Recruitment and Utilization of Consulting Services:

During this reporting period, the following consultants were recruited and contracts signed:

Package Number	General Description	Estimated Value^a	Contract Value^a	Recruitment Method	Advertisement Date	Date of ADB Approval of Contract Award	Comments
TIIGP2-LAO-C14	National Destination Management Specialist	\$57,829	\$57,829	ICS	4 April 2019	24 April 2019	Consultant: Mr Vila Chanthavong; Lump-sum contract; Signed: 24 April 2019 PCSS: G20442
TIIGP2-LAO-C12-001	Resource Person to Co-Facilitate DMP Workshops	\$3,150	\$3,150	SSS	N/A	N/A	Consultant: Mr Phonesouk Khounsombat

^a Inclusive of income tax on fees and VAT on reimbursable expenses and provisional sums.

Recruitment of the following consulting services were ongoing on 30 June 2019:

Package Number	General Description	Estimated Value	Recruitment	Advertisement Date	Estimated Contract Signing Date	Comments
TIIGP2-LAO-C01	Project Management and Civil Engineering Support	\$3,109,134	QCBS	28 August 2018	July 2019	International and National. Total 232 p-m 90:10 Quality-Cost Ratio
TIIGP2-LAO-C03	International Tourism Standards Specialist	\$121,000	ICS	11 June 2019	July 2019	International 8 p-m
TIIGP2-LAO-C05	International Gender Specialist	\$34,500	ICS	11 June 2019	July 2019	International 2 p-m
TIIGP2-LAO-C06	National Gender Specialist	\$49,500	ICS	11 June 2019	July 2019	National 12 p-m
TIIGP2-LAO-C09	International Monitoring and Evaluation Specialist	\$45,500	ICS	11 June 2019	July 2019	International 3 p-m
TIIGP2-LAO-C10	National Monitoring and Evaluation Specialist	\$53,500	ICS	11 June 2019	July 2019	National 12 p-m

Recruitment of the following consulting services will be initiated during quarter 3 of 2019:

Package Number	General Description	Estimated Value	Recruitment	Advertisement Date	Estimated Contract Signing Date	Comments
TIIGP2-LAO-C13	International Urban Planning and Design Specialist	\$93,290	ICS	Q3/2019	Q4/2019	International, lump sum contract; Position financed from Output 3 capacity building activity 3.3.3 in the PAM.
TIIGP2-LAO-C15	International Tourism Management and Development Specialist	\$73,880	ICS	Q3/2019	Q4/2019	International, lump sum contract; Position financed from Output 3 capacity building activity 3.3.3 in the PAM.
TIIGP2-LAO-C16	International Natural and Cultural Heritage Specialist	\$22,311	ICS	Q3/2019	Q4/2019	International, lump sum contract; Position financed from Output 3 capacity building activity 3.3.3 in the PAM.

A consultant recruitment monitoring table is presented in Annex 6.

An overview of status of consulting services planned inputs and utilization to date is presented in Annex 7.

8. Gender Action Plan Implementation Status

As of 30 June 2019, recruitment of the International and National Gender and Social Development Specialists is ongoing, and contract award and mobilization planned July/August 2019, around the same time as the mobilization of the PMCES firm (scheduled for 1 August 2019). Recruitment of the International and National Monitoring and Evaluation consultants, who will take the lead in preparing the PPMS in which Gender Action Plan (GAP) implementation monitoring and reporting will be integrated, is also ongoing and mobilization is foreseen in August 2019.

A GAP implementation monitoring table showing progress to date is presented in Annex 8.

9. Compliance with Grant Covenants

A table showing status of compliance with Grant Covenants presented in Annex 9.

10. Submission of Semi-Annual Safeguards Monitoring Reports

The following schedule is proposed for the submission of Semi-annual Safeguards (Environmental and Social) Monitoring Reports. Since the safeguards consultants will be mobilized only in August 2019, and no work will be undertaken on implementation of Output 1 infrastructure subprojects during Q1-2 of 2019, the first report will be submitted by 31 January 2020, covering the period July -December 2019.

Semi-annual Safeguards (Environmental and Social) Monitoring Report	Deadline	Status <i>(Under preparation; Submitted on [date]; Comments from ADB being addressed; Approved)</i>
Report 1: Jul-Dec 2019	31 January 2020	
Report 2: Jan-Jun 2020	31 July 2020	
Report 3: Jul-Dec 2020	31 January 2021	
Report 4: Jan-Jun 2021	31 July 2021	
Report 5: Jul-Dec 2021	31 January 2022	
Report 6: Jan-Jun 2022	31 July 2022	
Report 7: Jul-Dec 2022	31 January 2023	
Report 8: Jan-Jun 2023	31 July 2023	
Report 9: Jul-Dec 2023	31 January 2024	
Report 10: Jan-Jun 2024	31 July 2024	
Report 11: Jul-Dec 2024	31 January 2025	

11. Summary of Workplan for Next Quarter

Procurement packages/consulting services contracts to be awarded next quarter:

Contract	Estimated Amount
TIIGP2-LAO-C01: Project Management and Civil Engineering Support	\$3,109,134
TIIGP2-LAO-C03: International Tourism Standards Specialist	\$121,000
TIIGP2-LAO-C05: International Gender Specialist	\$34,500
TIIGP2-LAO-C06: National Gender Specialist	\$49,500
TIIGP2-LAO-C09: International Monitoring and Evaluation Specialist	\$45,500
TIIGP2-LAO-C10: National Monitoring and Evaluation Specialist	\$53,500

TIIGP2-LAO-C12: Tourism experts - various resource persons (approx. 3 contracts)	\$30,000
Total	\$3,443,134

Main activities planned for Q3 2019:

Output 1: Urban-Rural Access Infrastructure and Urban Environmental Services Improved

Implementation of Output 1 activities will commence in Q3 after mobilization of the Project Management and Civil Engineering Support (PMCES) Consultant, scheduled for 4 August 2019. The primary focus of the initial months will be on review/updating of the detailed designs and bidding documents prepared during project preparation for subprojects C1, C2 and V5 and getting them ready for tendering. It is the aim to have contracts awarded and signed for the two related works packages before the end of 2019.

In addition, conceptual design work for the remaining subprojects in Vang Vieng and at the Nam Ngeum 1 Dam Recreational Area in Vientiane Province will also be undertaken during Q3 by the architectural, urban and landscape design team the PMCES consultant will mobilize in August.

Output 2: Capacity to implement ASEAN Tourism Standards strengthened

Focus during Q3 of 2019 will be on (i) publication (in print and online), dissemination and promotion of the ASEAN Tourism Standards, translated and adapted to Lao context; (ii) continuing the establishment of standard certification bodies; and (iii) initiating assessments for the ASEAN Mice Standard.

Output 3 progress: Institutional capacity for tourism destination management and infrastructure O&M strengthened

During Q3, (i) upgrading of English language skills of DMN members and support for post graduate courses for tourism sector staff will continue; (ii) updating/preparation of Destination Management Plans (DMPs) will continue; (iii) DMN and DMN Task Force meetings will be held according to the agreed schedules; (iv) the project website will be finalized and published; (v) the preparation of heritage interpretation plans for Siphandone, Luang Prabang, and Vang Vieng and Vientiane Province will commence, (vi) the establishment of a marketing and promotion database containing standard text, images, design templates etc. will continue; (vii) production of a video promoting Lao PDR will continue; (viii) preparation/improvement of tourist maps for the 4000 Islands, Xieng Khouang and Pak Beng will continue; (ix) a training will be conducted on the preparation for, and participation in, international and regional tourism trade fairs; (x) the preparation of a training manual on standard operating procedures (SOP) for accommodation services will continue; and (xi) a manual on negative impacts from tourism in the ASEAN region, translated into Lao language will be disseminated.

Project Management Activities

During Q3, (i) the Accounting Manual will be finalized and rolled out; (ii) accounting software will be finalized and installed; (iii) financial management and procurement training will be provided to the PCU financial management team and PIU accounting staff; and (iv) recruitment of the PMCES consultant and the remaining individual consultants will be completed, and consultants mobilized.

Planned disbursements:

For Q3, the following withdrawal applications (WA) are foreseen:

- WA #2 for direct payment of contract TIIGP2-LAO-G01-01: PCU and PIU Vehicles: LAK1,136,220,000 (approx. \$135,000)
- Replenishment of Advance Account:
 - WA #3 (SOE May 2019): \$184,570
 - WA #4 (SOE June 2019): \$114,495 (approximate)
 - WA #7 (SOE July 2019): \$104,062 (approximate)
 - WA #8 (SOE Aug 2019): \$120,000 (estimate)

- WA #5 and #6 for direct payment of advance for contract TIIGP2-LAO-C01 PMCES Consultant Ramboll: USD 431,310 and EUR 129,445

12. Issues and Recommendations

At this point, there are no issues affecting project implementation progress to report.

Prepared by:



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Approved and Submitted to ADB by:



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Ministry of Culture, Information and
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Annex 1: Progress of civil works by subproject as of 30 June 2019

Subproject	Location and Description	Implementation Progress
Works Package: TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements		
C1: Nakasang Access Road and Port Rehabilitation	Khong District. The subproject will: (i) reconstruct 3.3 km road from Route 13S to the Nakasang Mekong River port and create a turning area for buses; (ii) reinforce 45 m of riverbank protection and reconstruct 60m of riverside path in the port area; (iii) improve footpaths and ramps to floating river pontoons to provide safer passenger access; and (iv) divert the main storm water drainage outlet 15 m downriver from the port.	TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements: DED, bill of quantities, technical specification, bidding documents, updated safeguards documents, O&M plan, and recommendations for equipment for O&M have been prepared as part of project preparation. They will be reviewed, and updated as needed, by the PMCES Consultant after mobilization (1 August 2019). Target for contract signing is Q4 2019.
C2: Don Det-Don Khone Access Improvements	Khong District. This subproject will (i) pave the main 11 km road network on Don Det and Don Khone islands; (ii) pave the 780 m ² Don Det ferry port vehicle parking area; (iii) cycle track/footpaths over the two islands; and (iv) install public lighting and safety rails on the old railway bridge linking the islands.	
Works Package: TIIGP2-LAO-W02: Nam Ngum Reservoir Access Improvements		
V1: Nam Ngum Reservoir Access Improvements	Keo Oudom District. This subproject will (i) improve the existing public marina at the Nam Ngum Reservoir recreational area to safely accommodate 50-60 local tour boats and launch small recreational vessels; (ii) construct a 5.9km loop road extending along the reservoir shore linking to Route 10, and 1,200 m ² parking area; (iii) construct a new 3,860 m ² public market and shophouses to replace existing informal lakeside stalls; (iv) install septic tanks in all public buildings and a wastewater pump-out station/holding tank at the marina; (v) replace abandoned, unsafe public buildings and piers with new public green space; and (vi) renovate the tourist information center.	TIIGP2-LAO-W02: Nam Ngum Reservoir Access Improvements: Feasibility studies, preliminary designs, preliminary cost estimates and safeguards documents prepared during project preparation. DED, bill of quantities, technical specification, bidding documents, updated safeguards documents, O&M plan, and recommendations for equipment for O&M will be prepared by the PMCES Consultant after mobilization. A consultation meeting with PIU Vientiane Province was held in May 2019 to review and re-confirm preliminary design.
Works Package: TIIGP2-LAO-W03: Vang Vieng Urban-Rural Access Improvements		
V2: Kaeng Yui Waterfall Access Improvements	Vang Vieng District. The subproject will (i) upgrade the 6km access road from Vang Vieng Town to Kaeng Yui waterfall; (ii) level and pave the 875 m ² waterfall parking area; (iii) improve surfaces and drainage in the waterfall market area; and (v) improve 300m footpaths, including rehabilitation of steps, small suspension bridges, and signage.	TIIGP2-LAO-W03: Vang Vieng Urban-Rural Access Improvements: Feasibility studies, preliminary designs, preliminary cost estimates and safeguards documents prepared during project preparation. DED, bill of quantities, technical specification, bidding documents, updated safeguards documents, O&M plan, and recommendations for equipment for O&M will be prepared by the PMCES Consultant after mobilization.

Subproject	Location and Description	Implementation Progress
V3: Western Loop Rural Access Road and Bridge Improvements	Vang Vieng District. The subproject will (i) upgrade the 26 km “Western Loop Road” and three village feeder roads; (ii) construct a new road bridge across the Song River, with 2.0km feeder road linking the bridge, Western Loop Road and south end of town; and (iii) provide bio-engineered river bank protection and improve the footpath/cycle track between the new bridge and Huay Yae village.	
V4: Vang Vieng Urban Renewal	Vang Vieng District. The subproject will (i) rehabilitate 4.0 km of footpaths with suitable surfaces, street lighting, seating and soft landscaping; (ii) install traffic calming measures in streets with high concentrations of tourists; (iii) improve traffic management, including one-way traffic flows (1.5 km); and (iv) resurface roads and improve drains in residential areas (1.0 km).	
Works Package: TIIGP2-LAO-W04: Vang Vieng Landfill Improvements		
V5: Vang Vieng Solid Waste Management Improvements	Vang Vieng District. The subproject will transform the existing district solid waste dump site into a managed landfill and includes (i) installation of a perimeter runoff interceptor drainage system; (ii) cell construction with impermeable liners, leachate collection/treatment system, and a landfill gas recovery system; (iii) construction of a small materials recovery facility for waste separation and recycling and a medical waste treatment area; (v) construction of a septage treatment facility (0.5ha); (vi) construction of site office, toilets, and fencing; (vii) pave the 0.8km access road and provide three new collection trucks, a bulldozer, and two vacuum trucks to support septage collection.	<p>TIIGP2-LAO-W04: Vang Vieng Landfill Improvements: DED, bill of quantities, technical specification, bidding documents, updated safeguards documents, O&M plan, and recommendations for equipment for O&M have been prepared as part of project preparation. They will be reviewed, and updated as needed, by the PMCES Consultant after mobilization (1 August 2019). Target for contract signing is Q4 2019.</p> <p>A consultation meeting with PIU Vang Vieng was held in May 2019 to review and re-confirm preliminary design.</p>

Annex 2: Progress towards DMF targets and activity implementation as of 30 June 2019

Impacts the Project is Aligned with: Sustainable, inclusive, and more balanced tourism development achieved. (ASEAN Secretariat. ASEAN Tourism Strategic Plan 2015–2025. Jakarta.)					
Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 June 2019
Outcome: Tourism competitiveness of secondary towns in Cambodia and the Lao PDR increased	By 2025				
	a. Cambodia and the Lao PDR's share of ASEAN international visitor arrivals increased (2016 baseline)	8.0%	8.3%	a-c. Government tourism statistics reports and project completion report	Updates will be provided (i) upon completion of project baseline report; (ii) at mid-term; and (iii) at project completion
	Cambodia	4.3%	4.5%		
	Lao PDR	3.7%	3.8%		
	b. Annual international visitor arrivals in project areas increased (2016 baseline)	1.28 mln	1.99 mln		Updates will be provided (i) upon completion of project baseline report; (ii) at mid-term; and (iii) at project completion
	Cambodia	458,600	731,000		
	Lao PDR	820,100	1,263,100		
	c. Aggregate annual visitor expenditure in project areas increased (2016 baseline)	\$0.55 bln	\$0.91 bln		Updates will be provided (i) upon completion of project baseline report; (ii) at mid-term; and (iii) at project completion
	Cambodia	\$186.3 mln	\$318.1 mln		
	Lao PDR	\$363.9 mln	\$589.0 mln		
	d. Women comprise at least 55% of tourism workers in project areas (2016 baseline)		55%		Updates will be provided (i) upon completion of project baseline report; (ii) at mid-term; and (iii) at project completion
	Cambodia	54%	55%		
	Lao PDR	50%	55%		
Outputs	By 2024:				

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 June 2019
1. Urban-rural access infrastructure and urban environmental services improved	1a. 73 km of access roads to tourist sites improved (2017 baseline)	0	73.0 km	1a-f. Project progress reports and project completion report	Detailed design and bidding documents prepared and safeguards documents updated for subprojects C1: Nakasang Access Road and Port Rehabilitation and C2: Don Det-Don Khone Access Improvements. Target for contract signing for C1 and C2: Q4 2019.
	Cambodia	0	10.4 km		
	Lao PDR	0	62.6 km		
	1b. 4 ferry ports constructed (2016 baseline)	0	4		
	Cambodia	0	2		
	Lao PDR	0	2		
	1c. 30 m3/day wastewater treatment capacity constructed (2017 baseline)	0 m3/day	30 m3/day		
	Cambodia	0 m3/day	15 m3/day		
	Lao PDR	0 m3/day	15 m3/day		
	1d. Flood protection and drainage constructed for 25-hectare catchment (2017 baseline)	0 ha	25.0 ha		
	Cambodia	0 ha	0.5 ha		
	Lao PDR	0 ha	24.5 ha		
	1e. Solid waste management services improved for 5,700 households and businesses (2017 baseline)	2,596	5,700		
Cambodia	968	1,600			

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 June 2019
	Lao PDR	1,628	4,100		Detailed design and bidding documents prepared and safeguards documents updated for subproject V5: Vang Vieng Solid Waste Management Improvements (which includes a septage treatment facility). Target for contract signing for V5: Q4 2019.
	1f. At least 50% of people consulted to optimize project infrastructure design inclusiveness and gender responsiveness are women (2017 baseline)	0%	50%		
	Cambodia	0%	50%		
	Lao PDR	0%	50%		35% women participants in consultations for detailed design and updating of safeguards documents during project preparation for subprojects C1, C2 and V5.
2. Capacity to implement ASEAN tourism standards strengthened	2a. 2 national ASEAN tourism standards assessment frameworks and certification boards established with at least 30% women board members (2017 baseline)	0	2 (30% women board members)	2a-d. Project progress reports and project completion report	
	Cambodia	0	1 (30% women board members)		
	Lao PDR	0	1 (30% women board members)		No achievements to date
	2b. 107 hotels in target provinces ASEAN Green Hotel Standard certified (2017 baseline)	45	109		
	Cambodia	16	43		
	Lao PDR	29	64		First update will be reported upon completion of the project baseline report.
	2c. 148 homestays ASEAN Homestay Standard certified (2017 baseline)	38	148		
	Cambodia	15	35		

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 June 2019
	Lao PDR	23	113		First update will be reported upon completion of the project baseline report.
	2d. At least 6 towns ASEAN Clean City Standard certified (2017 baseline)	2	6		
	Cambodia	1	3		
	Lao PDR	1	3		First update will be reported upon completion of the project baseline report.
3. Institutional capacity for tourism destination management and infrastructure O&M strengthened	3a. 150 public works and tourism site managers (at least 30% women) reporting increased knowledge on developing and implementing tourism management and infrastructure O&M plans (2017 baseline)	0	150	3a-e. Project progress reports and project completion report	
	Cambodia	0	60		
	Lao PDR	0	90		No achievements to date
	3b. 8 destination management plans and 8 infrastructure O&M plans implemented (2017 baseline)	4	8		
	Cambodia	1	4		
	Lao PDR	3	4		Five destination management plans under preparation (Lao PDR, Luang Prabang, Southern Laos, Vang Vieng, and Vientiane Province)
	3c. At least 5,000 residents and tourism workers (50% women) participated in destination management training and awareness-raising activities (2017 baseline)	0	5,000		
	Cambodia	0	2,000		
	Lao PDR	0	3,000		No achievements to date

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 June 2019
	3d. At least 500 entrepreneurs (60% women) received SME support services (2017 baseline)	0	500 (60% women)		
	Cambodia	0	200 (60% women)		
	Lao PDR	0	300 (60% women)		No achievements to date
	3e. 2 internet-based tourism knowledge repositories developed (2017 baseline)	0	2		
	Cambodia	0	1		
	Lao PDR	0	1		No achievements to date

Key Activities with Milestones	Progress in Lao PDR as of 30 June 2019
1. Urban-rural access infrastructure and environmental services improved	
1.1 Prepare civil works design and bidding documents: Q2 2018–Q4 2019	Detailed design and bidding documents prepared for subprojects C1: Nakasang Access Road and Port Rehabilitation; C2: Don Det-Don Khone Access Improvements; and V5: Vang Vieng Solid Waste Management Improvements. Target for contract signing for C1, C2 and V5: Q4 2019.
1.2 Safeguards document approval: Q4 2018–Q4 2019	Safeguards documents updated for subprojects C1, C2 and V5.
1.3 Complete land acquisition and resettlement: Q1 2020	Vientiane Province has been requested to allocate resettlement budgets for subprojects V1 and V3 in the provincial budget for FY 2021.
1.4 Civil works procurement: Q4 2018–Q4 2020	No achievements to date
1.5 Civil works construction, supervision, and supply equipment: Q1 2019–Q1 2023	No achievements to date
2. Capacity to implement ASEAN tourism standards strengthened	
2.1 Establish ASEAN tourism standards assessment frameworks and certification boards: Q1 2019–Q1 2020	6 of the 7 ASEAN Tourism Standards and their implementation manuals translated and published in the Lao language
2.2 Prepare national certification boards and assessor operations manuals: Q2 2019–Q4 2021	No achievements to date
2.3 Train standards assessors (e.g. Green Hotel, Homestay, Clean City, etc.): Q3 2019–Q2 2022	No achievements to date
2.4 Promote ASEAN tourism standards adoption by service enterprises and cities: Q3 2019–Q4 2023	No achievements to date
2.5 Standards inspection and certification: Q4 2019–Q4 2023	No achievements to date
3. Institutional capacity for tourism destination management and infrastructure O&M strengthened	
3.1 Prepare and approve tourism destination management plans: Q1 2020–Q1 2021	DMPs for all five project targets under preparation

Key Activities with Milestones	Progress in Lao PDR as of 30 June 2019
3.2 Prepare and approve infrastructure O&M plans with sustainable finance mechanisms: Q3 2020–Q4 2021	No achievements to date
3.3 Design and implement training programs for infrastructure O&M: Q3 2021–Q4 2023	No achievements to date
3.4 Design and implement SME training and public awareness programs Q2 2021–Q2 2023	No achievements to date
3.5 Establish and maintain Internet-based tourism knowledge repositories: Q1 2019–Q4 2023	No achievements to date
Project Management Activities	
Establish project steering committees, PCUs, and PIUs: Q2 2018	Completed
Advance actions for consultant recruitment and procurement: Q2 2018–Q1 2019	Completed: advance actions were undertaken during Q3-4 of 2018 for the recruitment of the Project Management and Engineering Support Consultant (PMCES), and four individual consultants: International Tourism Specialist – Co-Team Leader, National Tourism Specialist – Deputy Team Leader, and the International and National Financial Management and Procurement Specialists, and for the procurement of PCU and PIU vehicles.
Financial management training for PCU and PIU staff: Q1 2019–Q3 2019	PCU staff is receiving on-the-job training and mentoring from the PCU of L3516-LAO: GMS Tourism Infrastructure for Inclusive Growth Project and the International Financial Management and Procurement Specialist, and have opportunities to participate in training at ADB LRM.
Implement sex-disaggregated PPMS, safeguards, and gender action plans: Q1 2019–Q4 2023	No achievements to date

Annex 3: Weighted implementation table with progress as of 30 June 2019

	Year 2018				Year 2019				Year 2020				Year 2021				Year 2022				Year 2023				Year 2024				(a) Actual Progress (%)	(b) Assigned weight (%)	(a) x (b) Weighted Progress (%)
	Quarter				Quarter				Quarter				Quarter				Quarter				Quarter										
	Project year				Project year				Project year				Project year				Project year				Project year										
	Project quarter				Project quarter				Project quarter				Project quarter				Project quarter				Project quarter										
A. DMF																															
Output 1: Urban-Rural Access Infrastructure and Urban Environmental Services Improved																															
<u>TIIGP2-LAO-W01 Nakasang and Don Det-Don Khone Access Improvements</u>																															
1.1 Prepare civil works design and bidding documents																									90.00%	2.50%	2.25%				
1.2 Safeguards document approval																									80.00%	0.50%	0.40%				
1.3 Complete land acquisition and resettlement																									0.00%	0.00%	0.00%				
1.4 Civil works procurement																									0.00%	1.25%	0.00%				
1.5 Implement civil works construction, supervision, and supply equipment																									0.00%	10.75%	0.00%				
<u>TIIGP2-LAO-W02: Nam Ngum Reservoir Access Improvements</u>																															
1.1 Prepare civil works design and bidding documents																									0.00%	2.50%	0.00%				
1.2 Safeguards document approval																									0.00%	0.50%	0.00%				
1.3 Complete land acquisition and resettlement																									0.00%	1.00%	0.00%				
1.4 Civil works procurement																									0.00%	1.25%	0.00%				
1.5 Implement civil works construction, supervision, and supply equipment																									0.00%	10.75%	0.00%				
<u>TIIGP2-LAO-W03: Vang Vieng Urban-Rural Access Improvements</u>																															
1.1 Prepare civil works design and bidding documents																									0.00%	2.50%	0.00%				
1.2 Safeguards document approval																									0.00%	0.50%	0.00%				
1.3 Complete land acquisition and resettlement																									0.00%	1.00%	0.00%				
1.4 Civil works procurement																									0.00%	1.25%	0.00%				
1.5 Implement civil works construction, supervision, and supply equipment																									0.00%	10.75%	0.00%				
<u>TIIGP2-LAO-W04: Vang Vieng Landfill Improvements</u>																															
1.1 Prepare civil works design and bidding documents																									90.00%	2.50%	2.25%				
1.2 Safeguards document approval																									80.00%	0.50%	0.40%				
1.3 Complete land acquisition and resettlement																									0.00%	0.00%	0.00%				
1.4 Civil works procurement																									0.00%	1.25%	0.00%				
1.5 Implement civil works construction, supervision, and supply equipment																									0.00%	10.75%	0.00%				

	Year				2018				2019				2020				2021				2022				2023				2024				(a) Actual Progress (%)	(b) Assigned weight (%)	(a) x (b) Weighted Progress (%)
	Quarter				1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
	Project year				Proj. Prep.				Year 1				Year 2				Year 3				Year 4				Year 5				Year 6						
	Project quarter								1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24			
Output 2: Capacity to Implement ASEAN Tourism Standards Strengthened																																			
2.1 National ASEAN Tourism Standards adaptation																																80.00%	2.00%	1.60%	
2.2 Establishment of certification bodies and processes																																0.00%	2.00%	0.00%	
2.3 Assessor training																																0.00%	2.00%	0.00%	
2.4 ASEAN Tourism Standards promotion																																0.00%	1.00%	0.00%	
2.5 Implement ASEAN Tourism Standards and the ASEAN Sustainable Tourism Awards																																0.00%	6.00%	0.00%	
Output 3: Institutional Arrangements for Tourism Destination Management and Infrastructure O&M Strengthened																																			
3.1 Destination management network institutional strengthening																																20.00%	1.00%	0.20%	
3.2 Destination management plan preparation																																40.00%	1.00%	0.40%	
3.3 Policy, Regulation and Master Planning Support																																3.00%	3.00%	0.09%	
3.4 Destination Marketing and Promotion Support																																3.00%	2.00%	0.06%	
3.5 Heritage Interpretation Support																																2.00%	2.00%	0.04%	
3.6 Tourism-related SME development																																0.00%	2.00%	0.00%	
3.7 Establish and maintain internet-based tourism knowledge repositories																																0.00%	1.00%	0.00%	
3.8 Develop infrastructure O&M plans with sustainable finance mechanisms																																0.00%	2.00%	0.00%	
3.9 Facilitate Public-Private Partnerships for operations and maintenance																																0.00%	1.00%	0.00%	
3.10 Infrastructure O&M training																																0.00%	2.00%	0.00%	
B. Management Activities																																0.00%		0.00%	
Establish project supervision and management structure																																95.00%	1.00%	0.95%	
Mobilize consultants and procure equipment																																85.00%	1.00%	0.85%	
Establish financial management arrangements																																70.00%	1.00%	0.70%	
Financial management and procurement training																																20.00%	1.00%	0.20%	
Finalize monitoring arrangements and establish the project website																																0.00%	1.00%	0.00%	
Conduct project planning, monitoring, evaluation and reporting																																12.00%	1.00%	0.12%	
Implementation of environmental, social safeguards and the gender action plan																																2.00%	2.00%	0.04%	
TOTAL																																	100.00%	10.55%	

Annex 4: Project Financial Management Action Plan progress as of 30 June 2019

Planned Action	Output	Responsible Party	Due Date	Progress
PCU and PIU financial management teams established.	<ul style="list-style-type: none"> Appointment or recruitment of qualified and experienced: PCU national director and PIU project managers; PCU financial controller; PCU and PIU accounting staff, as specified in the PAM. 	EA and IAs	Prior to ADB Board approval of project	Completed - PCU project director, manager, financial controller and PIU director, manager, and accounting staff have been appointed. In addition, MICT has signed a contract with a national internal auditor on 18 February 2019, completing the financial management team, and meeting condition for withdrawal from the grant account, which ADB acknowledged on 20 February 2019.
National Steering Committee established.	<ul style="list-style-type: none"> Project oversight comprised of representatives from national level and participating provinces (Champasak, Luang Prabang and Vientiane), as specified in the PAM. 	EA and IAs	Coincide with ADB Board approval of project	Completed - A National Project Steering Committee, comprising the Vice Minister for Tourism, MICT (Chari) and senior officials representing the Ministry of Finance (MOF), MICT, Ministry of Natural Resources and the Environment, Ministry of Public Works and Transport (MPWT), Lao Women's Union, and Champasak, Luang Prabang and Vientiane Province DICT, Department of Public Works and Transport (DPWT), and Vang Vieng UDAA has been established
Project funds flow arrangements adopted & operational.	<ul style="list-style-type: none"> As outlined in the PAM MOF, EA, PCU, and PIU staff briefed on funds flow arrangements, advance account opened, and project sub-accounts established. 	MOF, EA, PCU, and PIUs assisted by financial management and procurement consultants	Prior to initial disbursement.	Completed – MICT has adopted the fund flow arrangement outlined in the PAM without modifications in coordination with MOF and MICT. PCU and PIUs have been briefed on the funds flow arrangements by the financial management consultants. PCU has opened an advance account and PIUs have opened sub-accounts.
PCU and PIU financial management capacity established and financial systems operational.	<ul style="list-style-type: none"> Financial management and procurement support consultants mobilized; project accounting and financial reporting systems established, including dedicated accounting software meeting government FM-EMP and ADB requirements, and a progress report template linking financial with physical progress. PCU and PIUs attend training on project accounting, including the use of accounting software and 	EA, assisted by project consultants PCU and PIU, assisted by project consultants PCU, PIU and ADB EA and MEF ADB	Within six months of project effectiveness	Ongoing – <ul style="list-style-type: none"> International and National Financial Management and Procurement Specialists and National Internal Auditor recruited and mobilized. They are currently supporting the PCU with the establishment of the project accounting and financial management systems, including dedicated accounting software. The Financial Management Manual (FMM) is soon to be finalized. There is an ongoing discussion with the accounting software vendor for the possible enhancement of the TIIGP1 software to fit the requirements of TIIGP2. A progress report template was agreed that links financial with physical progress. PCU has attended an orientation on financial management of ADB-

	<p>compliance with government FM-EMP.</p> <ul style="list-style-type: none"> • Project disbursement arrangements and procedures established in accordance with government FM-EMP regulations and procedures; staff trained in their operation. • Internal audit function established. • Independent external auditor appointed. • ADB Inception mission Aide-Mémoire confirms suitable Financial management <u>system.</u> 			<p>financed projects delivered by the International Financial Management and Procurement Specialist. Training on the use of the accounting software will be conducted upon completion of the software. The FMS will conduct a FM training to discuss the FMM in August 2019.</p> <ul style="list-style-type: none"> • The project's disbursement arrangements have been established (following the example of L3156-LAO, with appropriate modifications). • MICT has recruited and mobilized a National Internal Auditor, who will be responsible for supporting and advising the PCU and PIUs on adherence to the financial management requirements. • The recruitment of an external auditor will be initiated in Q2 2019, to be ready for the first external audit scheduled for Q1 2020. • The ADB Inception Mission is scheduled to coincide with the mobilization of the PMCES Consultant, expected in June/July 2019.
PCU and PIU staff attend disbursement seminar as part of capacity building.	<ul style="list-style-type: none"> • At least 1 staff member from the PCU and each PIU attend ADB's in-country disbursement seminar. 	PCU, PIU and ADB	Within one year of project effectiveness	Planned – PCU and PIU representatives will attend ADB's in-country disbursement seminar scheduled for June 2019
Publicizing grievance redress mechanism.	<ul style="list-style-type: none"> • Grievance redress mechanism to report suspected procurement related cases of corruption and collusion established and publicized on project website. • Contact details of MOF and ADB's office on Anti-corruption periodically advertised in newspapers and on project website. 	EA	Within six months of project effectiveness	<p>Planned –</p> <ul style="list-style-type: none"> • Grievance redress mechanism to report suspected procurement related cases of corruption and collusion will be established during Q2 of 2019, and publicized on the project website (under development) • Contact details of MOF and ADB's office on Anti-corruption will be published on the project website (under development).

ADB = Asian Development Bank; DICT = Department of Information, Culture and Tourism; EA = executing agency; MOF = Ministry of Finance; PCU = project coordination unit; PIU = project implementation unit.

Annex 5: Goods and works procurement monitoring table as of 30 June 2019

Grant 0599-LAO: Second GMS Tourism Infrastructure for Inclusive Growth Project (49387-002)																			
Procurement Monitoring Sheet - Civil Works																			
Procurement Plan Approved on: 10 April 2019																			
Package No.	Description	Mode	Resp Proj Mgt Unit	CA Target Date	Adv Date	Estimate (\$ million)	Draft Bid Docs		Bids Issuance	Bid Closing	Bid Evaluation		Contract					Remarks	
							Received	Approved			Approved	Amount	Signed	Received	PCSS No.	Amount	\$ Equiv		
TIIGP2-LAO-W01	Nakasang and Don Det-Don Khone Access Improvements	ICB		Dec-19	Q4/2019	7,227,529													
TIIGP2-LAO-W02	Nam Ngum Reservoir Access Improvements	ICB				6,142,686													
TIIGP2-LAO-W03	Vang Vieng Urban-Rural Access Improvements	ICB				10,673,878													
TIIGP2-LAO-W04	Vang Vieng Landfill Improvements	ICB		Dec-19	Q4/2019	5,632,000													Revised advertising date
Total						29,676,093.000													

Grant 0599-LAO: Second GMS Tourism Infrastructure for Inclusive Growth Project (49387-002)

Status of Procurement - Goods

Procurement Plan Approved on: 10 April 2019

Package No.	Description	Mode	Resp	CA	Adv	Estimate (\$ mil)	Number of Contracts	Draft Bid Docs		Bids Issuance	Bid Closing	Bid Evaluation		Contract			Remarks				
								Received	Approved			Approved	Amount	Signed	Received	PCSS No.		Amount	\$ Equiv		
TIIGP2-LAO-G01a	PCU & PIU vehicles	NCB			13-Feb-19	155,000	1	18-Feb-19	26-Feb-19	27-Feb-19	22-Mar-19	11-Apr-19	LAK	1,136,220,000	25-Apr-19	10-May-19	G20440	LAK	1,136,220,000	130,739	
TIIGP2-LAO-G02	PCU office furniture and equipment	Shopping			Q4/2018	20,000	2								19-Feb-19	22-May-19	G20443	LAK	31,955,000	3,677	
TIIGP2-LAO-G02-02															14-Feb-19			LAK	17,200,000	1,994	PCSS to be issued under WA
TIIGP2-LAO-G02-03															18-Mar-19			\$	3,500	3,500	PCSS to be issued under WA
TIIGP2-LAO-G02-04															9-Apr-19			LAK	49,170,000	5,724	PCSS to be issued under WA
TIIGP2-LAO-G02-05															11-Apr-19			LAK	7,548,000	867	PCSS to be issued under WA
TIIGP2-LAO-G02-06															11-Apr-19			LAK	33,000,000	3,836	PCSS to be issued under WA
TIIGP2-LAO-G03-VV01	PIU office furniture and equipment (4 PIUs)	Shopping			Q1/2019	80,000	8								25-Mar-19			LAK	45,782,000	5,301	PCSS to be issued under WA
TIIGP2-LAO-G03-VV02															26-Mar-19			LAK	56,760,000	6,571	PCSS to be issued under WA
TIIGP2-LAO-G03-VV03															28-Mar-19			LAK	23,953,000	2,731	PCSS to be issued under WA
TIIGP2-LAO-G03-VV04															30-Mar-19			LAK	39,864,000	4,616	PCSS to be issued under WA
TIIGP2-LAO-G03-LPB01															14-Jun-19			LAK	67,947,000	7,859	PCSS to be issued under WA
TIIGP2-LAO-G03-LPB02															27-Jun-19			LAK	97,747,000	11,291	PCSS to be issued under WA
TIIGP2-LAO-G03-CPS01															24-Jun-19			LAK	63,294,000	7,295	PCSS to be issued under WA
TIIGP2-LAO-G03-VP01															26-Mar-19			LAK	43,211,300	4,998	PCSS to be issued under WA
TIIGP2-LAO-G03-VP02															26-Mar-19			LAK	60,099,600	6,951	PCSS to be issued under WA
TIIGP2-LAO-G03-VP03															20-Jun-19			LAK	62,421,348	7,211	PCSS to be issued under WA
TIIGP2-LAO-G04	Vang Vieng landfill management equipment	NCB				715,000	1														
TIIGP2-LAO-G05	Equipment for ASEAN Standards certification bodies	Shopping			Q2/2019	30,000	5														
TIIGP2-LAO-G06	Equipment for ASEAN Tourism Standards Implementation (public sector)	Shopping				500,000	8														
TIIGP2-LAO-G07	Equipment for DMO secretariats	Shopping			Q2/2019	20,000	4														
															19-Mar-19			LAK	78,400,000	9,100	PCSS to be issued under WA
															19-Mar-19			\$	4,300	4,300	PCSS to be issued under WA
															11-Apr-19			LAK	2,310,000	269	PCSS to be issued under WA
															22-Apr-19			LAK	41,997,300	4,882	PCSS to be issued under WA
TIIGP2-LAO-G08	Equipment for Heritage Interpretation	Shopping				180,000	10														
TIIGP2-LAO-G09	Equipment for SMEs to Implement Private Sector-Led Actions in the DMPs	Shopping				325,000	12														
Total						2,025,000															233,712

Annex 6: Consultant recruitment monitoring table as of 31 June 2019

Grant 0599-LAO: Second GMS Tourism Infrastructure for Inclusive Growth Project (49387-002)																										
Procurement Monitoring - Consulting Services																										
Procurement Plan Approved on: 10 April 2019																										
Package No.	Description	Mode	Resp Proj Mgt Unit	CA Target Date	Adv Date	No. of Contracts	Estimate (\$ million)	Submission 1		RFP	RFP	Submission 2		Submission 2-3		Submission 3		Submission 4		Submission 5			Status			
								Received	Approved	Issuance	Closing Dat	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Signed	Received	PCSS No.		Amount	\$ Equiv	
TIIGP2-LAO-C01	Project Management and Civil Engineering Support	QCBS			28-08-18	1	3,109,134.00	23-Oct-18	07-Nov-18	08-Nov-18	17-Jan-19	12-Feb-19	03-Apr-19			22-Apr-19	03-May-19		20-Jun-19	01-Jul-19	19-Jul-19	G20711	\$	2,602,460	2,602,460	
TIIGP2-LAO-C02	International Tourism Specialist/Co-Team Leader	ICS			15-11-18	1	862,223.00	31-Jan-19	14-Feb-19			21-Feb-19	05-Mar-19							19-Feb-19	21-Feb-19	G20083	\$	930,000	930,000	
TIIGP2-LAO-C03	International Tourism Standards Specialist	ICS			Q2/2019	1	100,876.00	24-Jul-19																		
TIIGP2-LAO-C04	National Tourism Specialist/Deputy Team Leader	ICS			15-11-18	1	239,663.00	31-Jan-19	14-Feb-19			21-Feb-19	05-Mar-19							19-Feb-19	21-Feb-19	G20084	\$	242,000	242,000	
TIIGP2-LAO-C05	International Gender Specialist	ICS			Q2/2019	1	34,500.00	24-Jul-19																		
TIIGP2-LAO-C06	National Gender Specialist	ICS			Q1/2019	1	49,500.00	24-Jul-19																		
TIIGP2-LAO-C07	International Financial Management & Procurement Specialist	ICS			15-11-18	1	71,369.00	31-Jan-19	14-Feb-19			21-Feb-19	05-Mar-19							20-Feb-19	21-Feb-19	G20085	\$	75,000	75,000	
TIIGP2-LAO-C08	National Financial Management & Procurement Specialist	ICS			15-11-18	1	23,510.00	31-Jan-19	14-Feb-19			21-Feb-19	05-Mar-19							19-Feb-19	21-Feb-19	G20086	\$	25,000	25,000	
TIIGP2-LAO-C09	International Monitoring and Evaluation Sepcialist	ICS			Q2/2019	1	45,500.00	24-Jul-19																		
TIIGP2-LAO-C10	National Monitoring and Evaluation Sepcialist	ICS			Q2/2019	1	53,500.00																			
TIIGP2-LAO-C11	National Internal Auditor	ICS			15-Nov-18	1	103,394.00	31-Jan-19	14-Feb-19			21-Feb-19	05-Mar-19							18-Feb-19	21-Feb-19	G20087	\$	102,904	102,904	
TIIGP2-LAO-C12	Tourism Experts-Various Resource Persons	SSS			Q2/2019	40	200,000.00																			
TIIGP2-LAO-C13	International Urban Planning and Design Specialist	ICS			Q3/2019	1	93,290.00																			Revised advertising date
TIIGP2-LAO-C14	National Destination Management Specialist	ICS			04-Apr-19	1	57,829.00	12-Apr-19	24-Apr-19			24-Apr-19	23-May-19							24-Apr-19	26-Apr-19	G20442	\$	57,829	57,829	
TIIGP2-LAO-C15	International Tourism Management and Development Specialist	ICS			Q3/2019	1	73,880.00																			Revised advertising date
TIIGP2-LAO-C16	International Natural and Cultural Heritage Specialist	ICS			Q3/2019	1	22,311.00																			Revised advertising date
	Total						5,044,288.00																\$	47,000	47,000	

Submission 1: Shortlisting of Firms and Request for Proposals (QCBS/QBS/FBS/LCS)
 Submission 1: Evaluation of EOIs and RFP (CQS)
 Submission 2: Evaluation of Technical Proposals (QCBS/QBS/FBS/LCS)
 Submission 2-3: Technical and Financial Proposals (CQS/SSS)
 Submission 3: Financial Proposals Evaluation and Overall ranking of Proposals (QCBS/FBS/LCS)
 Submission 4: Draft Negotiated Contract
 Submission 5: Signed Contract

Annex 7: Utilization of consulting services as of 30 June 2019

Package/Positions	Expert name	Person-Months (pm) as per PAM	Contract signing date	Original contract (total pm)	Current contract incl. variations (total pm)	Current contract closing date	Cumulative person-months utilized as of 30-Jun-19	Balance (pm)	Notes
TIIGP2-LAO-C01: Project Management and Civil Engineering Support (Firm)									
<i>International</i>									
1	International Civil Engineer / Co-Team Leader	54						0.00	
2	International Environmental Specialist	6						0.00	
3	International Social Safeguards Specialist (Resettlement & Indigenous People)	6						0.00	
4	International Institutional Development Specialist	4						0.00	
Subtotal		70		0	0		0.00	0.00	
<i>National</i>									
1	National Lead Civil Engineer	54						0.00	
2	National Civil Engineer 1	36						0.00	
3	National Civil Engineer 2	36						0.00	
4	National Environmental Specialist	12						0.00	
5	National Social Safeguards Specialist (Resettlement & Indigenous People)	12						0.00	
6	National Institutional Development Specialist	12						0.00	
Subtotal		162		0	0		0.00	0.00	
Capacity Building Support (Individuals)									
<i>International</i>									
1	TIIGP2-LAO-C02: International Tourism Specialist / Co-Team Leader	54	19-Feb-19	54	54	31-Dec-24	2.00	52.00	
2	TIIG2P-LAO-C03: International Tourism Standards Specialist	8						0.00	
3	TIIGP2-LAO-C05: International Gender Specialist	2						0.00	

	Package/Positions	Expert name	Person-Months (pm) as per PAM	Contract signing date	Original contract (total pm)	Current contract incl. variations (total pm)	Current contract closing date	Cumulative person-months utilized as of 30-Jun-19	Balance (pm)	Notes
4	TIIGP2-LAO-C07: International Financial Management & Procurement Specialist	Ms Nida Azada CALMA	5	19-Feb-19	5	5	31-Dec-24	1.00	4.00	
5	TIIGP2-LAO-C09: International Monitoring and Evaluation Specialist		3						0.00	
	Subtotal		72		59	59		3.00	56.00	
	National									
1	TIIGP2-LAO-C04: National Tourism Specialist / Deputy Team Leader	Ms Phongisth DAVADING	54	19-Feb-19	54	54	31-Dec-24	3.00	51.00	
2	TIIGP2-LAO-C06: National Gender Specialist		12						0.00	
3	TIIGP2-LAO-C08: National Financial Management & Procurement Specialist	Mr Kim XAISANA	6	19-Feb-19	6	6	31-Dec-20	0.00	6.00	
4	TIIGP2-LAO-C10: National Monitoring and Evaluation Specialist		12						0.00	
5	TIIGP2-LAO-C11: National Internal Auditor	Mr Somphet PHONGSVANH	0	18-Feb-19	30	30	31-Dec-24	0.00	30.00	Position included in updated procurement plan dated 22 Match 2019
6	TIIGP2-LAO-C12: Tourism experts - various resource persons								0.00	40 contracts included in procurement plan. To date 1 contract awarded: TIIGP2-LAO-C12-001: Mr Phonesouk Khounsombat
7	TIIGP2-LAO-C13: International Urban Planning and Design Specialist		0						0.00	Position included in updated procurement plan dated 22 Match 2019

Package/Positions	Expert name	Person-Months (pm) as per PAM	Contract signing date	Original contract (total pm)	Current contract incl. variations (total pm)	Current contract closing date	Cumulative person-months utilized as of 30-Jun-19	Balance (pm)	Notes
8	TIIGP2-LAO-C14: National Destination Management Specialist	0	24-Apr-19			31-Dec-19	lump-sum		Position included in updated procurement plan dated 22 March 2019 - Lump sum contract
9	TIIGP2-LAO-C15: International Tourism Management and Development Specialist	0						0.00	Position included in updated procurement plan dated 22 March 2019
Subtotal		84		90	90		3.00	87.00	
External Auditor (Firm)									
1	External Auditor						lump-sum		
Summary									
	Total International	142		59	59		3.00	139.00	Compared to p-m in PAM
	Total National	246		90	90		3.00	243.00	Compared to p-m in PAM
	Grand Total	388		149	149		6.00	382.00	Compared to p-m in PAM

Annex 8: GAP implementation progress as of 30 June 2019

Project Title:	Grant 0599-LAO: Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project
Country:	Lao PDR
Project No.:	49387-002
Type of Project (Loan/Grant/TA):	Grant
Approval date:	31 August 2018
Project Implementation Duration:	25 December 2018 - 31 December 2024
Gender Category:	Effective Gender Mainstreaming
Mission Leader:	Ms Phoxay Xayyavong
Project Impact:	Sustainable, inclusive, and more balanced tourism development achieved
Project Outcome:	Tourism competitiveness of secondary towns increased
Status of GAP implementation:	

	Achieved	Planned/On-going	Not achieved
9 Activities	0 (0.0 %)	9 (100.0 %)	0 (0.0 %)
23 Targets	2 (8.7 %)	20 (87.0 %)	1 (4.3 %)

Gender Action Plan (GAP) (GAP Activities, Indicators and Targets, Timeframe and Responsibility)	Progress to date (as of 30 June 2019) (This should include information on period of actual implementation, sex-disaggregated quantitative updates (e.g. number of participating women, women beneficiaries of services, etc.), and qualitative information. However, some would be on-going - so explain what has happened so far towards meeting the target.	Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc., and provide recommendations on ways to address issues and challenges)
Output 1: Urban-Rural Access Infrastructure and Urban Environmental Services Improved.		
1. Strengthen women's voice in project design. Target 1: Two consultations held during detailed design of each infrastructure subproject to optimize inclusiveness, gender responsiveness, and employment opportunities during and after construction.	<u>Pre-construction consultations conducted during project preparation for C1, C2 and V5:</u> C1: Nakasang Access Road and Port Rehabilitation and C2: Don Det-Don Khone Access Improvements: <ul style="list-style-type: none"> • First consultations were held in Pakse and on site in Nakasang, Don 	

	<p>Det and Don Khone on 20-21 June 2018 with participation by ADB, PCU and PIU representatives and provincial and district officials (12 par, 5 (42%) women). During site-visits ad-hoc consultations were held with locals including village headman of Ban Hangkhone, on design considerations.</p> <ul style="list-style-type: none"> • A second round of consultations focusing on design and future operation of the land fill and environmental considerations for detailed design and operation were held 17-18 October 2018 (37 par, 7 (19%) women). <p>V5: Vang Vieng Solid Waste Management Improvements:</p> <ul style="list-style-type: none"> • First consultations were held in Vang Vieng and on site at the land fill location on 19 June 2018 with participation by ADB, PCU and PIU representatives and provincial and district officials (12 par, 4 (33%) women). • A second round of consultations focusing on design and future operation of the land fill and environmental considerations for detailed design and operation were held on 13 October 2018 in Vang Vieng Town with project and government representatives (15 par, 3 (20%) women) and on site in Ban Phonvieng (38 par, 21 (55%) women). Employment opportunities for local people at the improved landfill were discussed. 	
<p>Target 2: At least 50% of people consulted are women.</p>	<p><u>Pre-construction consultations conducted during project preparation for C1, C2 and V5: 114 participants, 40 (35%) women</u></p>	

<p>2. Promote women’s economic employment and safety.</p>		
<p>Target 3: At least 500 entrepreneurs (60% women) receive SME support services (2017 baseline:0)</p>	<p>Related project activities have not yet commenced.</p>	
<p>Target 4: At least 10% of unskilled workers hired for works construction are local women (2017 baseline: ~10%).</p>	<p>Related project activities have not yet commenced.</p>	
<p>Activity 1: Contractors ensure separate access to water and sanitation facilities for women and men in construction sites and separate quarters, as well as suitable worker safety training, equipment, and clothing.</p>	<p>Related project activities have not yet commenced.</p>	
<p>Activity 2: Contractors provide gender-responsive HIV/AIDS, STI, human trafficking, and child labor exploitation prevention information to all workers.</p>	<p>Related project activities have not yet commenced.</p>	
<p>3. Improve gender design features of tourism facilities to support economic empowerment.</p>		
<p>Target 5: All women vendors return to improved market space after construction (2017 baseline: ~80% (120 women)).</p>	<p>Related project activities have not yet commenced.</p>	
<p>Target 6: At least 80% (80 women) of newly constructed shop owners/operators are women.</p>	<p>Related project activities have not yet commenced.</p>	
<p>Activity 3: Infrastructure subproject gender design features include suitable road shoulders, access for people with disabilities, public lighting, separate male and female toilets, lockable kiosks, road safety instruction, and others identified during consultations.</p>	<p><u>For detailed designs for C1, C2 and V5 prepared during project preparation:</u></p> <ul style="list-style-type: none"> • Roads are designed according to established and recent national standards and guidelines in each country • Roads and foot paths are also designed to maximize available area in the available alignments • Public lighting is included at the Vang Vieng Landfill (V5), in the Nakasang town/port improvement (C1), and on the bridge between Don Det and Don Khone (C2) • Separate areas with showers, toilets, lockers etc. for male and female 	

	<p>workers are planned for the Vang Vieng landfill subproject (V5)</p> <ul style="list-style-type: none"> • Site buildings at the Vang Vieng landfill site will be accessible for disabled, included HCWC • Road safety instructions will be a part of subsequent project phases, however the design criteria used have road safety as a key basis. • No specific issues related to gender design features were raised during the consultations with the IAs and other stakeholders. <p>For subprojects V1, V2, V3 and V4, this activity will be undertaken during detailed design.</p>	
Activity 4: Infrastructure user charges (e.g. market stall rent and waste collection fees) are affordable to male and female users.	Related project activities have not yet commenced.	
4. Ensure women’s equal participation in gender-sensitive IEC programs to mitigate tourism’s social risks.		
Target 7: 50% of IEC facilitators trained by the project are women.	Related project activities have not yet commenced.	
Target 8: At least 50% of people reached by gender-sensitive IEC campaigns are women (2017 baseline: 38% women).	Related project activities have not yet commenced.	
Activity 5: IEC materials are gender-sensitive (i.e. without gender bias/stereotypes) and published for each topic covered, e.g. (i) traffic and boating safety, (ii) HIV/AIDS prevention, (iii) human trafficking prevention and (iv) solid waste management.	Related project activities have not yet commenced.	
Output 2: Capacity to implement ASEAN Tourism Standards strengthened		
5. Promote women’s leadership.		
Target 9: At least 30% of ASEAN tourism standards certification board members and assessors are women (2017 baseline: 0).	Related project activities have not yet commenced.	
Target 10: At least 35% of ASEAN tourism standards trainers are women (2017 baseline: 0)	Related project activities have not yet commenced.	

Target 11: At least 45% of ASEAN tourism awards selection panel members are women (2017 baseline: 0).	Related project activities have not yet commenced.	
6. Promote equal access to ASEAN tourism standards training and information		
Activity 6: ASEAN tourism standards manuals translated to Lao language.	Ongoing	
Target 12: At least 40% of participants in ASEAN tourism standards training for businesses are women.	Related project activities have not yet commenced.	
Output 3: Institutional arrangements for tourism destination management and infrastructure O&M strengthened		
7. Promote gender balanced project management.		
Target 13: Women comprise at least 30% of project steering committee members (2017 baseline: ~25% (4 women))	Not achieved. The National Project Steering Committee consists of 7 members, out of which 2 (29%) are women	
Target 14: Women hold 30% of project director and deputy director positions (2017 baseline: 20%).	Achieved. Among the PCU and four PIU Directors and Managers (10 persons in total), 2 directors and 1 manager are women (30%).	
Target 15: At least 40% of overall PCU and PIU staff positions are held by women (2017 baseline: 34%).	Achieved. Among the 27 PCU and PIU staff, 14 (52%) are women	
Target 16: At least 30% of PCU and PIU staff that attend technical and project management training are women.	On track: Q1 2019: nil Q2 2019: 200 par., 106 women (52%)	
8. Promote women's representation in destination management and infrastructure O&M entities.		
Target 17: DMO managers comprise at least 30% women (2017 baseline: ~30%).	On track: National-level DMN: 3 secretariat members (3 women, 100%) Provincial-level DMNs are being restructured/established during Q3 2019	
Target 18: Women comprise at least 40% of total DMO membership (2017 baseline: ~30%).	On track: National-level DMN: 52 par, 34 women (46%) Provincial-level DMNs are being restructured/established during Q3 2019	
Target 19: At least 30% of 150 public works and tourism site managers (60 Cambodian and 90 Lao) are women, with skills, equipment, and budget needed to effectively develop and implement tourism management plans and infrastructure O&M (2017 baseline: 0)	Related project activities have not yet commenced. Monitoring of this indicator will be planned in consultation with the International Gender Specialist and the M&E Specialists during Q3-4 of 2019.	

<p>Note: target for Laos is 30% of 90 public works and tourism site managers.</p>		
<p>Target 20: Community tourism groups involving women and youth (at least 40% women and girls membership) are established or strengthened in all sites with community-managed tourist attractions.</p>	<p>A number of sites in the project target areas are community-managed. These will be identified and membership recorded as part of the baseline data collection during Q4 of 2019. During the course of project implementation additional community tourism groups may be established.</p>	
<p>Target 21: At least 50% of participants in tourism-related service training are women (2017 baseline: ~70%).</p>	<p>Related project activities have not yet commenced.</p>	
<p>9. Improve gender mainstreaming capacity to implement and monitor the GAP and report gender impacts.</p>		
<p>Target 22: 50% of 18 gender focal persons appointed to PCUs, PMUs, and PIUs are men.</p> <p>Note: for Lao PDR, 10 gender focal persons will be appointed. Two for each of PCU and 4 PIUs (one male and one female).</p>	<p>Gender focal points will be appointed during Q3 2019.</p>	
<p>Activity 7: Gender specialists and social development consultants provide gender equality training and GAP implementation training to all project supervision, management, and coordination entities.</p>	<p>Consultants not yet recruited/mobilized. Planned for Q2/3 2019.</p>	
<p>Activity 8: GAP targets and actions are reflected in annual project work plans and reported in quarterly progress reports.</p>	<p>The first annual project workplan (2019) includes an activity to review the project's overall Gender Action Plan and prepare province-specific gender action plans, which will be undertaken with the assistance of the international and national gender specialists and PCU and PIU gender focal points, which will be appointed prior to implementing this activity, ensuring 50% of the focal points are men (target 22). Specific GAP targets and actions will be incorporated in subsequent project workplans.</p>	
<p>Activity 9: PPMS includes sex-disaggregated indicators and templates to track GAP progress, implementation, and project benefits.</p>	<p>PPMS preparation will commence in Q3 2019.</p>	
<p>Target 23: At least 3 human impact stories on GAP implementation, including women's understanding of, and satisfaction with project design, and improved economic opportunities are documented for publication.</p>	<p>Too premature to develop human impact stories.</p>	

Annex 9: Status of compliance with Grant Covenants as of 30 June 2019

Item	Covenants	Status of Compliance
	Grant Agreement Article IV: Particular Covenants	
1	Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Grant Agreement.	Being complied with.
2	Section 4.02. (a) The Recipient shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Grant proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.	Being complied with. <ul style="list-style-type: none"> • PCU and PIUs maintain separate accounts and records for the Project • PCU prepares annual financial statements for the Project • MICT will recruit a qualified external auditor. The first annual external audit of the consolidated project financial statements will be undertaken, and the audited project financial statements together with the auditor's opinion, is due for submission to ADB within 6 months from the end of project Year 1 (2019), 30 June 2020.
3	Section 4.02. (b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.	To be complied with. The first annual audited financial statements for the Project are due for submission to ADB by 30 June 2020.
4	Section 4.02. (c) The Recipient shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Recipient's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Recipient, unless the Recipient shall otherwise agree.	To be complied with.
5	Section 4.03. The Recipient shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.	To be complied with.
	Grant Agreement Schedule 4	
6	<u>Implementation Arrangements</u> The Recipient shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Recipient and ADB. In the event of any discrepancy between the PAM and this Grant Agreement, the provisions of this Grant Agreement shall prevail.	Being complied with.
7	<u>Environment</u> The Recipient shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Recipient relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEE, the EMPs, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Being complied with.

Item	Covenants	Status of Compliance
8	<p><u>Land Acquisition and Involuntary Resettlement</u> The Recipient shall ensure that all land and all rights- of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Recipient relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the RP, and any corrective or preventative actions set forth in the Safeguards Monitoring Report. Without limiting the application of the Involuntary Resettlement Safeguards or the RP, the Recipient shall ensure that no physical or economic displacement takes place in connection with the Project until: (a) compensation and other entitlements have been provided to affected people in accordance with the RP; and (b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.</p>	To be complied with.
9	<p><u>Indigenous Peoples</u> The Recipient shall ensure that the preparation, design, construction, implementation and operation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Recipient relating to indigenous peoples; (b) the Indigenous Peoples Safeguards; and (c) all measures and requirements set forth in the IPP, and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report, or (ii) subsequently agreed between ADB and the Recipient.</p>	To be complied with.
10	<p><u>Human and Financial Resources to Implement Safeguards Requirements</u> The Recipient shall make available necessary budgetary and human resources to fully implement the EMPs, the RP and the IPP.</p>	Being complied with.
11	<p><u>Safeguards - Related Provisions in Bidding Documents and Works Contracts</u> The Recipient shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to: (a) comply with the measures relevant to the contractor set forth in the IEE, the EMPs, the RP and the IPP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report; (b) make available a budget for all such environmental and social measures; (c) provide the Recipient with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during' construction, implementation or operation of the Project that were not considered in the IEE, the EMPs, the RP and the IPP; (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre- project condition upon the completion of construction.</p>	Being complied with.

Item	Covenants	Status of Compliance
12	<p><u>Safeguards Monitoring and Reporting</u> The Recipient shall do the following: (a) submit semi- annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission; (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMPs, the RP and the IPP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMPs, the RP or the IPP promptly after becoming aware of the breach.</p>	<p>To be complied with.</p> <p>First semi-annual Safeguards Monitoring Report due for submission to ADB by 31 January 2020 (covering project quarters 3 and 4).</p>
13	<p><u>Prohibited List of Investments</u> The Recipient shall ensure that no proceeds of the Grant are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.</p>	<p>Being complied with.</p>
14	<p><u>Labor Standards, Health and Safety</u> The Recipient shall ensure that the core labor standards and the Recipient's applicable laws and regulations are complied with during Project implementation. The Recipient shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Recipient's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment, sex and occupation; (d) do not use forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women. The Recipient shall strictly monitor compliance with the requirements set forth in paragraph 10 above and provide ADB with regular reports.</p>	<p>Being complied with.</p>
15	<p><u>Gender and Development</u> The Recipient shall ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported on quarterly basis to ADB; and (e) key gender outcome and output targets include: (i) 30% of the overall staff positions and 40% of the management positions in the PCU and PIUs to be filled by women; (ii) appointment of gender focal points in the PCU and each PIU; (iii) at least 40% of training participants under the Project are women; and (iv) disaggregation of all monitoring and evaluation (M&E) data by sex and ethnicity.</p>	<p>To be complied with.</p> <ul style="list-style-type: none"> • International and National Gender Specialists (individual consultants) are being recruited and will be mobilized in Q3. • GAP monitoring and reporting will be integrated into the PPMS • Updated GAP monitoring table will be attached to quarterly reports.

Item	Covenants	Status of Compliance
16	<p><u>Counterpart Support</u> The Recipient shall: (a) through the Project Executing Agency, ensure that counterpart funds for Project implementation are available on time; and (b) ensure that the Project Executing Agency has sufficient funds to satisfy its liabilities arising from any Works, Goods and Consulting Services contract.</p> <p>The Recipient shall (a) through the Project Executing Agency cause each Participating Provinces, prior to their physical completion, prepare and adopt a plan for achieving full cost recovery of the operation and maintenance expenditures of each Project facility within their province; and (b) finance through budget allocation any shortfall in the operation and maintenance of the Project facilities within each Participating Province.</p>	Being complied with.
17	<p><u>Consultation with Stakeholders</u> The Recipient shall ensure that consultation with the Project stakeholders takes place during Project implementation, in accordance with the stakeholder communication strategy set out in the PAM.</p>	Being complied with.
18	<p><u>Governance and Anticorruption</u> The Recipient shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.</p> <p>The Recipient shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.</p>	Being complied with.