

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

Quarterly Progress Report No. 3

Reporting Period: 1 July – 30 September 2019

31 October 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:	9 months/72 months (12.50%)
Project Overall Progress:	12.80%
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:	Inception Mission, 29 August to 3 September 2019

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 September 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	4.232		5.795					
Actual Cum CA	1.375	1.563	5.795							
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	0.315		1.315					
Actual Cum Disb	0	1.000	1.315							

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.

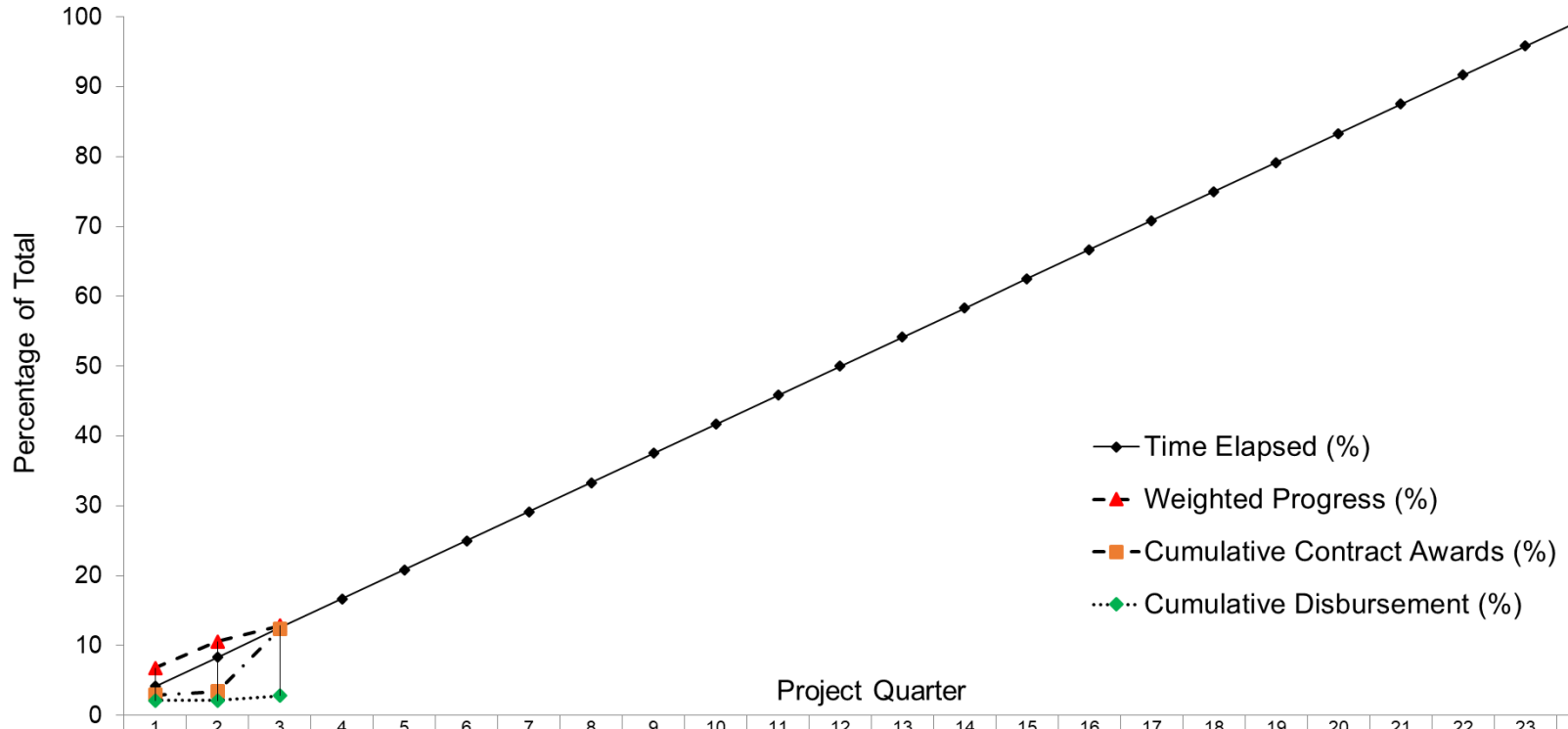
Detailed Cost Estimates by Expenditure Category and Financier

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 September 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	12.80																					
Cumulative Contract Awards (%)	2.93	3.43	12.33																					
Cumulative Disbursement (%)	2.13	2.13	2.80																					

Contract Awards by Category:

As of 30 September 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	0.23	1.64
2. Consulting Services	4.41	5.19	(0.78)
4. Project Management	0.80	-	0.80
5. Capacity Building	3.45	-	3.45
6. Land Acquisition and Resettlement	-	-	
Subtotal (A)	40.10	5.42	34.69
B. Recurrent Cost^a			
1. PCU and PIU Staff Cost	0.56	0.05	0.51
2. PCU and PIU Operations	1.39	0.33	1.06
3. PCU and PIU Vehicles and Office Equipment	0.54	-	0.54
Subtotal (B)	2.50	0.38	2.11
Total Base Cost (A+B)	42.60	5.79	36.81

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

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

Expenditure by Financier:

As of 30 September 2019

Expenditures	ADB (\$ mln)	Govt. (\$ mln)	Total (\$ mln)
Actual expenditure for Project Quarter 3 (Q2 2019)	0.449	0.00	0.449
Total expenditure up end of Project Quarter 3 (Q2 2019)	0.748	0.00	0.748

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 in the Resettlement Plan for Vientiane Province for two subprojects: (i) Nam Ngum Reservoir Access Improvements, and (ii) Western Loop Rural Access Road and Bridge Improvements.

Based on the resettlement plan for Vientiane Province prepared during project preparation, the indicative cost of resettlement impacts compensation for Nam Ngum and the Western Loop Road is \$300,513. Of this total, the government will finance \$122,516 for land acquisition, compensation for minor business losses, other entitlements, and resettlement plan administration. ADB will finance \$177,997 to construct the new market and shophouses at Nam Ngum (included in the subproject's civil works costs). Vientiane Province has been requested to include \$122.516 in their budget request for FY 2021 for this purpose. The RP, including the budget, will be updated at the time of the detailed measurement survey (DMS) during detailed design.

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. The executing agency is MICT. A 7-member National Project Steering Committee, comprising the Vice Minister for Tourism, MICT (Chair), the Director General, Tourism Marketing Department (Vice Chair) and five other senior officials representing various departments of MICT has been established and meets periodically to review progress. Members also serve, as appropriate, on the project's ad-hoc bid evaluation and consultant selection committees. A 11-member

project coordination committee has also been established, chaired by the project director, with members from various departments and units in MICT involved in project implementation.

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 \$1mln 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.

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 Q4 2019-Q1 2020 following completion of the project performance management system (PPMS) (Q4 2019), 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-W04, detailed engineering design (DED), bill of quantities (BOQ), technical specification, bidding documents, updated safeguards documents, and recommendations for equipment for O&M were prepared during the Project Preparation Technical Assistance (PPTA) by NorConsult under a direct contract with ADB. These two packages (for subprojects C1, C2 and V5) are referred to as "Stage 1" packages/subprojects.

For Works Packages TIIGP2-LAO-W02 and TIIGP2-LAO-W03, feasibility studies, preliminary designs, preliminary cost estimates and safeguards documents were prepared during project preparation by the PPTA Consultant PM Group under a direct contract with ADB. These two packages (for subprojects V2, V3 and V4) are referred to as "Stage 2" packages/subprojects.

Mobilization of PMCES Consultants

The Project Management and Civil Engineering Support (PMCES) Consultant - Ramboll A/S in association with Specity Solutions Consultants Co. Ltd., has been engaged by MICT under the project and mobilized on 5th August 2019 to assist the PCU and PIUs with (i) review an update DED for Stage 1 subprojects; (ii) preparation of DED for Stage 2 subprojects, (iii) safeguards document updating and compliance monitoring, (iv) construction supervision, (v) preparation of operations and maintenance (O&M) plans and asset management technical training, and (vi) project management and administration.

Activities carried out during this Quarter

Stage-1: TIIGP2-LAO-W01 and TIIGP2-LAO-W04 (subprojects C1, C2 & V5)

Design Review Subprojects C1, C2 (Package TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvement): The PMCES Consultant has completed the process of reviewing and updating these documents as necessary. During review of drawings for Works Package TIIGP2-LAO-W01, PMCES found that there is the difference of level between profiles

and the cross sections of the roads. Several errors and incorrectness in detailed engineering design, specifications and BoQ prepared by the PPTA DED consultant were corrected.

Three foot/cycle bridges along the cycling paths on Don Khone, which were not designed by the PPTA DED Consultant (NorConsult) will be designed by PMCES Consultant before awarding of the Contract. Additional project resources will be made available to facilitate this.

Design Review Subproject: V5 (Package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements): Review findings of the DED for the landfill subproject reveal that the existing designs need to be revised, which would entail substantially altering the existing design, drawings, BoQ and technical specification, as explained in more detail in Annex 1. Moreover, an Environmental Compliance Audit (ECA) of the existing dump site is planned to commence in November 2019, and the outcomes of this will also inform the revised DED. The need for DED revision has been communicated to MICT and ADB during this reporting period, and, since this is outside the scope of the PMCES contract, it was agreed that additional project resources will be made available to facilitate this.

Procurement Support: The PMCES Consultant has reviewed the engineering aspects of the bidding documents for Package TIIGP2-LAO-W01, such as BOQ, Technical Specification, drawings etc. to support the procurement process. The draft bidding document were approved by ADB on 17 September, and the Invitation for Bids (IFB) was issued on 18 September 2019 with a bid opening date of 30 October 2019. A pre-bid meeting will be held 4 October 2019, and a site visit with the Bidders is scheduled for 8 October 2019.

Social and Environmental Safeguards: Progress on updating social and environmental safeguards documents and preparation for the ECA is described in Chapter 8 below.

Status of Stage-1 Works Packages:

Sub-project	Status at start	Present Status	Outstanding Works
TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvement <ul style="list-style-type: none"> • C1: Nakasang Access Road and Port Rehabilitation • C2: Don Det-Don Khone Access Improvements 	<ul style="list-style-type: none"> • DED prepared • IEE/EMP prepared • Social DDR prepared 	<ul style="list-style-type: none"> • DED approved • IEE and EMP approved • IFB issued on 18 September 2019 	<ul style="list-style-type: none"> • Bid opening, on 30 October 2019 • Bid Evaluation Report, by 14 November 2019 • Contract Award by 30 November 2019 • Contract Signing by 30 December 2019
TIIGP2-LAO-W04: Vang Vieng Landfill Improvements <ul style="list-style-type: none"> • V5: Vang Vieng Solid Waste Management Improvements 	<ul style="list-style-type: none"> • DED prepared • IEE/EMP prepared • IP drafted 	<ul style="list-style-type: none"> • DED being reviewed but pending ECA which will inform the revision of current design • IEE and EMP will be revised after the result from ECA • EGDRP being drafted 	<ul style="list-style-type: none"> • Approve DED • Approved IEE/EMP • Approved EGDRP • IFB

Stage-2: TIIGP2-LAO-W02 and TIIGP2-LAO-W03 (subprojects V1, V2, V3 & V4)

In parallel, the PMCES Consultant are proceeding 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).

Conceptual Design: V1, V2, V3 & V4 subprojects feasibility studies, preliminary designs, preliminary cost estimates and safeguards documents have been prepared during the PPTA. The purpose of the conceptual design work is to present current project brief, and design proposal options to capture additional community and environmental benefits to the sub project design, together with the stakeholders, to be the basis for detailed design. Initial site visits and consultation workshops with local stakeholders were carried out at the Nam Ngum sub-project (V1) on 15 August 2019 and at the Vang Vieng sub-projects (V2, V3 and V4) on 16 August 2019. A second round of workshops were carried out to receive feedback on the draft concepts in Vientiane Province (V1) on 16 September 2019 and in Vang Vieng (V2, V3 and V4) on 17 September 2019.

The conceptual design for the stage-2 subprojects has been elaborated during the reporting period, and work has started to define the quantities and the type of materials used for the sub-projects, in order to update the subproject detailed descriptions, preliminary drawings and rough cost estimates for design options, which will be completed during Q4 2019, which will form the basis for detailed design.

Status of Stage-2 Works Packages:

Sub-project	Status at start	Present Status	Outstanding Works
TIIGP2-LAO-W02: Nam Ngum Reservoir Access Improvements • V1: Nam Ngum Reservoir Access Improv	<ul style="list-style-type: none"> • Preliminary design • IEE/EMP drafted • RP drafted • IP drafted 	<ul style="list-style-type: none"> • Conceptual design prepared and confirmed following consultation with stakeholders 	<ul style="list-style-type: none"> • Updating of FS • Engineering Survey • DED • Update of IEE • Update of RP • Update of IP
TIIGP2-LAO-W03: Vang Vieng Urban-Rural Access • V2: Kaeng Yui Waterfall Access Improvements, • V3: Western Loop Rural Access Road and Bridge Improvements, • V4: Vang Vieng Urban Renewal)	<ul style="list-style-type: none"> • Preliminary design • IEE/EMP drafted • RP drafted • IP drafted 	<ul style="list-style-type: none"> • Conceptual design prepared and confirmed following consultation with stakeholders 	<ul style="list-style-type: none"> • Updating of FS • Engineering Survey • DED • Update of IEE • Update of RP • Update of IP

Detailed progress of Output 1 civil works subproject implementation as of 30 September 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.

To date, there are seven ASEAN Tourism Standards: (i) ASEAN Clean Tourist City Standard; (ii) ASEAN Homestay Standard; (iii) ASEAN Community-Based Tourism Standard; (iv) ASEAN Public Toilet Standard; (v) ASEAN Green Hotel Standard; (vi) ASEAN Spa Service Standard;; and (vii) ASEAN MICE Venue Standard

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 the previous reporting period, documents related six of the seven ASEAN Tourism Standards were translated. The documents related to the last remaining standard, the ASEAN Public Toilet Standard, were translated into Lao and published during this reporting period.

The second step is to adapt the ASEAN Standards into national standards. These national standards will provide more accessible, easier to obtain, certification requiring less than the ASEAN Tourism Standards, and provide a stepping stone for future attainment of the ASEAN standards. During this reporting period, stakeholder workshops were conducted about the adaptation into national standards of the ASEAN Clean Tourist City, ASEAN Homestay Standard, and the ASEAN Community-Based Tourism Standard (82 par, 24 (29%) women). To date, the adaptation of all five ASEAN Tourism Standards targeted to be adapted (ASEAN Clean Tourist City Standard, ASEAN Homestay Standard, ASEAN Community-Based Tourism Standard, ASEAN Public Toilet Standard and ASEAN MICE Venue Standard) is complete, and publication of the national standards is planned for Q4 2019.

2.2 Establishment of certification bodies and processes

During this reporting period, National Steering Committees for the ASEAN Clean Tourist City Standard, ASEAN Community-Based Tourism Standard, ASEAN Homestay Standard, ASEAN Public Toilet Standard were established. With that, national tourism standard assessment committees (equivalent to the “certification bodies” referred to in the PAM) now exist for all seven standards. Note that for the ASEAN Clean Tourist City Standard there two separate national committees, one responsible for assessment and one for dissemination and implementation. Provincial steering committees are also being established. Currently, the total number of assessment committee members appointed is 72, out of which 19 (26%) are women (target: 30%).

Progress of ASEAN Tourism Standards adaptation (2.1) and establishment of certification bodies (2.2):

ASEAN Tourism Standard Adaptation and establishment of certification bodies	Standard						
	Clean Tourist City	Homestay	Community-Based Tourism	Public Toilet	Green Hotel	Spa Service	MICE Venue
2.1 National ASEAN Tourism Standard adaptation							
Translation of ASEAN Tourism Standard into Lao language	√	√	√	√	√	√	√
Publication of Lao language version ASEAN Tourism Standard	√	√	√	√	√	√	√
Adaptation of ASEAN Tourism Standard into Lao national standard	√	√	√	√	n/a	n/a	√
Publication of national standard					n/a	n/a	
2.2 Establishment of certification bodies and processes							
Establishment of National Assessment Committee	√	√	√	√	√	√	√

n/a = not applicable

2.3 Assessor Training

An ASEAN Tourism Standards training-of-trainers (TOT) manual was developed, followed by a workshop to plan ASEAN Tourism Standards TOT training (24 par, 12 (50%) women).

2.4 ASEAN Tourism Standards promotion

During this reporting period, dissemination workshops were conducted with participation from public and private sectors, for the ASEAN Clean Tourist City Standard (Vang Vieng), ASEAN Community-Based Tourism Standard (Luang Prabang), ASEAN Green Hotel Standard (Oudomxay, Luang Namtha, Vang Vieng, Vientiane Province and Vientiane Capital), ASEAN MICE Venue Standard (Pakse and Vientiane), and ASEAN Public Toilet Standard (Luang Namtha, Vang Vieng) (total 725 par, 315 (43%) women).

2.5 ASEAN Tourism Standards and ASEAN Sustainable Tourism Awards implementation

A workshop was conducted to plan the implementation of the seven ASEAN Tourism Standards (30 par, 13 (43%) women).

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, a National DMN meeting was held on 12 July 2019 with participation from public and private sector DMN members (80 par, 34 (43%) women). 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) participated in two trainings (the second and third in a series) on the preparation of DMPs (15 par, 7 (47%) women). Furthermore, English-Lao dictionary for the tourism sector was updated, and English language training for DMN members continued. Collaboration with the National University of Laos (NUOL) also continued regarding aligning tourism and hospitality programs and curricula more closely with industry demand, in line with recommendations from the national DMN's Skills

Development Taskforce, including the conduct of a tourism awareness and careers seminar for students at the Hotel and Tourism Faculty (211 par, 146 (69%) women).

The project is in the process of supporting MICT and DICTs in target provinces to facilitate the establishment of 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 data collection and stakeholder workshops are being implemented in each destination. During this reporting period, for each destination, information collection required to prepare the analytical part of the DMPs continued, and series of consultation workshops were conducted in each destination to review drafts of the DMPs (total of 384 par, 154 (40%) women). The national-level DMN task forces on: (i) Tourism Marketing, (ii) Tourism development, (iii) Tourism Management; and (iv) Skills Development, were key facilitators in the workshops related to the national-level DMP preparation.

In the context of the subregional Lanexang Cultural Quadrangle collaboration between Lao PDR and Thailand, MICT and Luang Prabang and Vientiane Province DICT representatives participated in the biannual Lanexang Cultural Quadrangle Network Review Meeting in Nong Khai, Thailand (30 par, 13 (43%) women), as well as in a review meeting on community-operated product standard criteria and the use of mobile application under the Lanexang Cultural Quadrangle Network held in Thailand (20 par, 12 (60%) women). MICT and Luang Prabang and Vientiane Province DICT representatives also reviewed the English version of the Lanexang Cultural Quadrangle CBT Handbook that is under preparation.

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, a training manual on standard operating procedures (SOP) for hotel operation targeting SMEs was developed, a consultation workshop was held in Vang Vieng to identify solutions for environmental protection along Song river and enhanced solid waste management in the town (40 par, 12 (30%) women), a first consultation workshop was conducted on survey and data collection methods to align product development with relevant ASEAN tourism standards (25 par, 6 (24%) women), and final edit were made and design and layout done for the communication handbook of tourism crises.

Recruitment of three international tourism masterplanning support individual consultants is ongoing and mobilization is scheduled for January 2020. Target destinations for masterplanning support include Siphandone (4,000 Islands, Champasak Province), Nam Ngeum 1 Dam Recreational Area (Vientiane Province) and Luang Prabang Town and Environs.

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 the previous 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. In response to immediate needs, additional materials have been added during this reporting period related to Xieng Khouang and Oudomxay (destination information and photos to support provincial map production), Khammouane and Champasak (video material).

Further, a training was conducted on online marketing research and analysis of target markets for Tourism Marketing Department staff (20 par, 10 (50%) women).

Finally, the draft tourism statistics training manual the project is supporting was reviewed at a workshop (20 par, 6 (30%) women), finalized and published, and subsequently a training-of-trainer (TOT) workshop was held (60 par, 20 (33%) women) to prepare the roll-out of the manual.

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 digital interpretation by improving the “Laos Simply Beautiful” Facebook page and the “Unseen Laos” Instagram posts with relevant interpretive content and to support visibility and increase “likes” through pay-per-click technology.

Further, planning for the preparation of heritage interpretation strategies for the target destinations has progressed, and plan preparation is scheduled to commence in Q4 2019.

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 support.

During this reporting period, a consultation workshop was held with SMEs to discuss implementation by SMEs of relevant ASEAN Tourism Standards (26 par, 8 (31%) women). Further, the Tourism Management Department was supported to improve its database to enhance its ability to service SMEs in the tourism sector.

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.

During this reporting period, the domain name www.tourismknowledge.la was registered, along with www.tourismstandards.la for a dedicated website on ASEAN and other tourism standards in Lao PDR. Website design will be undertaken in Q4 2020.

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.

Initial discussions have taken place with the PMCES International Co-Team Leader, International Institutional Specialist and International Social Safeguards Specialist to commence work related to solid waste management in Vang Vieng, Vientiane Province. The plan is to prepare a comprehensive solid waste management plan, which includes the improved landfill (Output 1 subproject V5), enhanced and expanded solid waste collection, as well as waste reduction programs. This work will tie in with the work related to the implementation of the ASEAN Clean Tourist City Standard in Vang Vieng. Discussions are also ongoing to explore the possibility for the project to support solid waste management improvements in the Nakasang and Don Det-Don Khone subproject area in Champasak Province.

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, but solid waste collection systems in Vang Vieng will be looked at in the context of PPP.

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, but mentioned planning of solid waste management enhancement for Vang Vieng includes identification of candidates to select for the project-supported scholarship for a master course in solid waste management.

Progress towards realizing contributions to ADB Results Framework:

As of 30 September 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.	Bidding documents for Package TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements were issued on 18 September 2019 and bid opening is scheduled for 30 October 2019. Target for contract award: December 2019. This package includes 15.3 km of improvement of access roads to tourist sites. Update of detailed design for package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements in ongoing. This package includes 0.8 km of access roads.

No.	Level 2 Results Framework Indicators (Outputs and Outcomes)	Targets (Lao PDR)	Methods / Comments	Actually planned / realized (Lao PDR)
2	Water			
	a) Wastewater treatment capacity added or improved (cubic meters per day)	15.0 m ³	Septage treatment facility	Update of detailed design for package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements in ongoing. This package includes septage sludge treatment facility. Capacity of the facility to be finalized.
	b) Land improved through irrigation, drainage, and/or flood management (hectares)	24.5 ha		Bidding documents for Package TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements were issued on 18 September 2019 and bid opening is scheduled for 30 October 2019. Target for contract award: December 2019. This package includes 0.5 ha catchment area of flood protection and drainage improvement.
	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), who will be mobilized and start work on the PPMS and baseline report in Q4 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 September 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 September 2019, the Project has spent the amount \$0.748 million. The amount of \$449,129.90 will be submitted to ADB for replenishment around November 2019. The advance account including the PIU subaccounts have an existing balance \$0.551 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 (scheduled to be completed by 8 November 2019), 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. It is planned that the software will be ready and operational before the end of 2019. 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.

Annual project financial statements (APFS) will be audited by the State Auditing Organization of Lao PDR. The first annual audit will be undertaken, and the audited APFS together with the auditor's opinion, submitted to ADB within 6 months from the end of Fiscal Year 2019 (i.e. by 30 June 2020). Since no counterpart funds were used and no withdrawals made from the grant account during the period of 25 December 2018 (project effectiveness) to 31 December 2018, the APFS for Fiscal Year 2018 will be combined with the APFS 2019, as approved by ADB. 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 September 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 (version 0, dated 22 May 2018) was updated and submitted to ADB on 15 August 2019 and Version 1 was approved by ADB on 5 September 2019 and remains current as of 30 September 2019.

Procurement of Goods and Works:

During this reporting period, procurement for the following goods and works 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

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

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

Goods and Works						
Package Number	General Description	Estimated Value	Procurement Method	Advertisement Date	Estimated Contract Award	Comments
TIIGP2-LAO-W01	Nakasang and Don Det-Don Khone Access Improvements	\$5,930,000	ICB	18 September 2019	Dec 2019	Bid opening scheduled for 30 October 2019

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

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-C03	International Tourism Standards Specialist	\$121,000	\$121,000	ICS	11 June 2019	21 August 2019	Consultant: Mr Ross Alexander Corbett; 7 p-m; Signed: 19 August 2019 PCSS: G20821

Package Number	General Description	Estimated Value ^a	Contract Value ^a	Recruitment Method	Advertisement Date	Date of ADB Approval of Contract Award	Comments
TIIGP2-LAO-C05	International Gender Specialist	\$34,500	\$34,500	ICS	11 June 2019	21 August 2019	Consultant: Ms Luz Lopez Rodriguez; 27 p-m; Signed: 19 August 2019 PCSS: G20823
TIIGP2-LAO-C06	National Gender Specialist	\$49,500	\$49,500	ICS	11 June 2019	21 August 2019	Consultant: Ms Sipaseuth Chanthapanya; 12 p-m; Signed: 19 August 2019 PCSS: G20822
TIIGP2-LAO-C09	International Monitoring and Evaluation Specialist	\$45,500	\$45,500	ICS	11 June 2019	29 August 2019	Consultant: Mr Nils Gardek (through Ramboll Danmark A/S) 2.5 p-m; Signed: 28 August 2019 PCSS: G20994

^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 September 2019:

Package Number	General Description	Estimated Value	Recruitment	Advertisement Date	Estimated Contract Signing Date	Comments
TIIGP2-LAO-C10	National Monitoring and Evaluation Specialist	\$53,500	ICS	11 June 2019	October 2019	National 12 p-m
TIIGP2-LAO-C13	International Urban Planning and Design Specialist	\$93,290	ICS	Planned for 3 October 2019	October 2019	International, lump sum contract
TIIGP2-LAO-C15	International Tourism Management and Development Specialist	\$73,880	ICS	Planned for 3 October 2019	October 2019	International, lump sum contract

Package Number	General Description	Estimated Value	Recruitment	Advertisement Date	Estimated Contract Signing Date	Comments
TIIGP2-LAO-C16	International Natural and Cultural Heritage Specialist	\$22,311	ICS	Planned for 3 October 2019	October 2019	International, lump sum contract

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. Safeguards Implementation and Submission of Semi-annual Integrated Safeguards Monitoring Report

Review & update of the Environmental Safeguard Documents: The environmental safeguards related activities has focused on updating of the IEE and EMPs for the Nakasang and Don Det-Don Khone, and the Vang Vieng Landfill subprojects, which has included site visits to assess the existing natural resources, physical resources, ecological aspects of the planned subproject interventions and adjacent areas. Consultation meetings with local stakeholders were held in Nakasang and Don Det and Don Khone on 15-18 August 2019, and in Vang Vieng on 21-22 August 2019, to inform about the planned project, potential environmental issues during and post construction.

The IEE and EMP for the Nakasang/Don Det-Don Khone subprojects (C1 and C2) were updated following these initial site visits, and revised based on the present conditions. The reports were submitted to DoNRE & ADB for review and approval on 6 September 2019. The EMP and IEE were approved by ADB on 12 September 2019. The documents have not been disclosed on the ADB website within the reporting period.

The IEE and EMP for the Vang Vieng Landfill Improvements sub-project (C5) was updated following these initial site visits, and revised based on the present conditions. As defined in the IEE an Environmental Compliance Audit is required to be carried out to ensure that the existing site does not pose an environmental liability, and that the groundwater is not contaminated. The purpose of the ECA is to inform the DED, and provide input especially into the EMP. The Design Review has also concluded that the DED for the landfill would require revision from a technical point of view, and it has been agreed that the landfill subproject would be revised based on the findings from the ECA. The PMCES Consultant has reviewed and updated of the ToR for the ECA, and included a gap analysis for what information is needed and what is already available. The ToR will be submitted to ADB for endorsement during Q4, and it is expected that the ECA will be completed during Q1 2020.

Review & update of Social Safeguards Documents: Site visit for social safeguards was carried out for the Nakasang/DonDet-Don Khone (C1 and C2) subprojects on 2-3 September to form the basis for the updated Social Safeguards Due Diligence Report. The Due Diligence Report was and submitted to MICT on 9 September 2019. The main purpose of the assessment was to confirm that the DDR prepared during the PPTA was aligned with the final DED. The main finding was that the car park in Nakasang, which had initially been located at the information center was in the final DED (prepared by NorConsult) moved to the river front next to the boat landing. This change would have resettlement impacts, since the “new” location was not vacant. MICT has, based on the DDR, confirmed that car park should be moved back to its original location, to avoid any potential negative impacts.

Site visit has also been carried out for the Vang Vieng Landfill (V5) subproject on 16-17 September 2019 to assess the situation of the informal waste pickers working at the landfill. The visit concluded that most (11 of 14) of the waste pickers come from the Khmu ethnic group, that most (10 or 14) are women, and that all (14 of 14) receive over 10% of their average income from collecting and selling waste from the landfill. This has triggered the preparation of a REGDP (Resettlement and Ethnic Group Development Plan). A second site visit was carried out at the landfill site and surrounding villages on 25-26 September, to interview, and get detailed information on the social and economic conditions of the waste pickers, to enable an assessment of their potential losses and the level of vulnerability, and by this calculate the compensation packages. The REGDP is being prepared and will be finalized in conjunction with the completion of the ECA and the finalization of the revision of the DED during Q4 2019-Q1 2020.

Grievance Redress Mechanism: A Grievance Redress Mechanism (GRM) has been drafted for the Nakasang/Don Det-Don Khone (C1/C2) subprojects and the Vang Vieng Landfill (V5) subproject. The GRM will be introduced and implemented through stakeholder information and awareness raising workshops. An initial workshop will be held with PIU staff and village and community leaders in the sub-project areas, informing them about the purpose and scope of the GRM. A second meeting will invite community members, informing them about the project and the GRM – how the grievance reporting will be carried out and what they can and should report on. The GRM will be fully introduced prior to the mobilization of the contractor to ensure that potentially affected persons can communicate their grievances in relation to the project implementation in a formalized and transparent manner.

Submission of Semi-annual Integrated Safeguards Monitoring Report: The following schedule will be adhered to for the submission of Semi-annual Integrated Safeguards Monitoring Reports. Since construction of Output 1 infrastructure subprojects is scheduled to commence in Q1 2020, the first report will be submitted by 31 July 2020, covering the period January-June 2020.

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

9. Gender Action Plan Implementation Status

The project is categorized as Effective Gender Mainstreaming. Recruitment of the International and National Gender Specialists was completed on 26 August 2019.

The International Gender Specialist (IGS) was mobilized on 6 October 2019 for a two week first in-country mission. During this mission, the IGS, in collaboration with the National Gender Specialist (NGS): (i) conducted a series of project orientation discussions with the PCU officers and conferred with the PMCES Consultant (Ramboll) and the individual International Monitoring and Evaluation Specialist; (ii) conducted field visits and consultations with PIU and sub-project teams regarding the Nam Ngeum and Vang Vieng subprojects, Vientiane Province,

on 9-11 October 2019; (iii) conducted gender orientation training with the PCU, PMCES and finance teams on 21 October 2019; and (iv) drafted the Gender Action Plan (GAP) implementation monitoring table showing progress up to 30 September 2019. The next in-country mission by the IGS is planned for 15 January- 7 February 2020 to conduct a series of training workshops with PIUs, Gender Focal Persons, ASEAN certification bodies, IEC trainers, SME service providers and DMN members, and to work on the GAP monitoring report for Q4 2019.

Status of GAP implementation:

GAP Actions	Achieved	Planned/On-going	Not achieved
9 Activities		9 (5 planned; 4 ongoing)	
23 Targets	8	15 (7 planned; 8 ongoing)	
	10, 14, 15, 16, 17,18, 19, 22		

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

10. Compliance with Grant Covenants

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

11. Summary of Workplan for Next Quarter

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

Contract	Estimated Amount
TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements	\$5,930,000
TIIGP2-LAO-G06-001: Vang Vieng Garbage Trucks	\$36,000
TIIGP2-LAO-C10: National Monitoring and Evaluation Specialist	\$53,500
TIIGP2-LAO-C12: Tourism experts – various resource persons (approx. 3 contracts)	\$30,000
TIIGP2-LAO-C13: International Urban Planning and Design Specialist	\$93,218
TIIGP2-LAO-C15: International Tourism Planning Specialist	\$73,600
TIIGP2-LAO-C16: International Monitoring and Evaluation Specialist	\$23,253
Total	\$6,209,571

Main activities planned for Q4 2019:

Output 1: Urban-Rural Access Infrastructure and Urban Environmental Services Improved
Implementation of Output 1 activities started in Q3 2019 after mobilization of the PMCES Consultant, on 5 August 2019.

The primary focus for Q4 2019 will be on (i) completing the bidding process for Package TIIGP2-LAO-W01 with a view to award the contract before the end of 2019; and (ii) updating/revising DED and bidding documents prepared during PPTA for Package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements following the review completed during Q3. The Terms of Reference (ToR) for the ECA of the existing Vang Vieng dump site will be finalized and advertised, and a service provider selected and contracted. The outcomes of the ECA will inform the finalization of the revision of DED for Vang Vieng Landfill Improvements. IFB for this package will be issued in Q1 2020.

In addition, conceptual design work for the stage-2 subprojects in Vang Vieng (V2, V3, and V4) and at the Nam Ngum 1 Dam Recreational Area in Vientiane Province (V1) will be

completed during Q4, along with updating of subproject descriptions, preliminary designs and cost estimates for each of the subprojects, to inform the DED. Technical surveys for all stage-2 sub-projects will be carried out in parallel.

The summary of activities planned for Q4 2019 is as follows:

Activities	Who	When
TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvement		
Approval of DED by DPWT Champasak	DPWT	Oct 2019
Approval of IEE & EMP by DONRE Champasak (License/Certificate)	DONRE	Oct 2019
DDR Review & Update and ADB NOL	PMCES	Oct 2019
Grievance Redress Mechanism (GRM)	PMCES	Oct-Dec 2019
TIIGP2-LAO-W04: Vang Vieng Landfill Improvements		
Conducting ECA	PMCES	Oct 2019-Jan 2020
Design Review	PMCES	Dec 2019
IEE & EMP Review	PMCES	Dec 2019
EGDRP	PMCES	Dec 2019
TIIGP2-LAO-W02 (V1): Nam Ngum Reservoir Access Improvements		
Conceptual Design	PMCES	Oct 2019
Technical Survey	PMCES	Nov-Dec 2019
RP/IPP	PMCES	Nov-Dec 2019
TIIGP2-LAO-W03 (V2, V3 & V4): Vang Vieng Urban-Rural Access Improvements		
Conceptual Design	PMCES	Oct 2019
Technical Survey	PMCES	Nov-Dec 2019
RP/IPP	PMCES	Nov-Dec 2019

Output 2: Capacity to implement ASEAN Tourism Standards strengthened

Focus during Q4 of 2019 will be on (i) finalizing adapting ASEAN Tourism Standard into Lao national standards; (ii) establishment of the ASEAN Standards website; and (iii) training of trainers and assessors at national and provincial levels; (iv) planning implementation support.

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

During Q4 of 2019 will be on (i) upgrading of English language skills of DMN members and support for post graduate courses for tourism sector staff will continue; (ii) Destination Management Plans (DMPs) will be finalized; (iii) DMN and DMN Task Force meetings will be held according to the agreed schedules; (iv) training of DMN members (public and private) will continue; (v) preparation of tourism master plans for Luang Prabang, Nam Ngeum 1 Dam Recreational Area and Siphandone (4,000 Islands) will commence; (vi) and preparation of heritage interpretation plans for Siphandone, Luang Prabang, and Vang Vieng and Vientiane Province will commence.

Project Management Activities

During Q4 of 2019, (i) the Accounting Manual will be finalized and rolled out; (ii) accounting software will be finalized and installed; (iii) continued on-the-job financial management and procurement support will be provided to the PCU financial management team and PIU accounting staff; (iv) consultant recruitment will be completed; (v) the Project Performance Management System (PPMS) will be established, and preparation of the project baseline report will commence; (vi) the project website will be launched; (vii) focus on GAP implementation to ensure targets are included in project workplans and bidding documents.

Planned disbursements:

For Q4 2019, the following withdrawal applications (WA) are foreseen:

- WA #5 and #6 for direct payment of advance for contract TIIGP2-LAO-C01 PMCES Consultant Ramboll: USD 431,310 and EUR 129,445
- Replenishment of Advance Account:
 - WA #4 (SOE June 2019): \$114,190

- WA #7 (SOE July/August 2019): \$241,225
- WA #8 (SOE September 2019): \$204,904
- WA #9 (SOE October 2019): \$200,000 (estimate)

12. Issues and Recommendations

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

Prepared by:

Approved and Submitted to ADB by:

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Mr. Sounh Manivong
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Ministry of Culture, Information and
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Annex 1: Progress of civil works by subproject as of 30 September 2019

Subproject	Location and Description	DED and 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.	<p>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 reviewed and updated as needed, by the PMCES Consultant.</p> <p>IFB has been published on 18 September 2019.</p> <p>Target for contract award is Q4 2019.</p>
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.	<p>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.</p> <p>Presentation of Draft Conceptual Designs in Nam Ngum for V1 subproject was held on 16 September 2019 with PIUs and local stakeholders. The purpose of this conceptual design is to present current project brief, and design proposal options to capture additional community and environmental benefits to the subproject design, together with the stakeholders, prior to commencement of detailed design.</p> <p>Final Report for conceptual design for stage-2 sub-projects (V1, V2, V3 and V4), and updating of subproject descriptions, preliminary design and cost estimates for each subproject to eventually inform Survey and DED will be finalized during Q4 2019.</p>
Works Package: TIIGP2-LAO-W03: Vang Vieng Urban-Rural Access Improvements		

Subproject	Location and Description	DED and Implementation Progress
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.	<p>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.</p> <p>Presentation of Draft Conceptual Designs with PIUs and local stakeholders in Vang Vieng for V2, V3 and V4 subprojects was held on 17 September 2019. The purpose of this conceptual design is to present current project brief, and design proposal options to capture additional community and environmental benefits to the subproject design, together with the stakeholders, prior to commencement of detailed design.</p>
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.	<p>Final Report for conceptual design for stage-2 sub-projects (V1, V2, V3 and V4), and updating of subproject descriptions, preliminary design and cost estimates for each subproject to eventually inform Survey and DED will be finalized during Q4 2019.</p>
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 reviewed and following issues had been communicated with MICT and ADB:</p> <ul style="list-style-type: none"> - Appropriateness of leachate treatment plant - Appropriateness of septage treatment - Management of effluents and hazardous waste - Environmental considerations related to management of storm water - Incineration Plant <p>Environmental Compliance Audit (ECA) will be conducted to verify information to complete DED review including IEE and EMP during Q4 2019-Q1 2020.</p> <p>Target contract sign is in Q1 2020.</p>

Description	Preliminary Design Cost Estimates* (US\$) (original procurement plan in PAM, version 0)	Updated estimates* (US\$) (procurement plan, version 1)	Current estimates (US\$) (based on BOQ DED by PMCES Consultant)
<u>TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements</u>	7,227,529	5,930,000 (based on BOQ DED from PPTA)	6,485,811
C1. Nakasang Access Road and Port Rehabilitation;	3,613,167		
C2. Don Det-Don Khone Access Improvements	3,614,362		
<u>TIIGP2-LAO-W02: Nam Ngum Reservoir Access Improvements</u>	6,142,686	6,142,686 (Preliminary Cost by PPTA)	
V1. Nam Ngum Reservoir Access Improvements;	6,142,686		
<u>TIIGP2-LAO-W03 Vang Vieng Urban-Rural Access Improvements</u>	10,673,878	10,673,878 (Preliminary Cost by PPTA)	
V2. Kaeng Yui Waterfall Access Improvements;	2,180,747		
V3. Western Loop Rural Access Road and Bridge Improvements;	7,477,630		
V4. Vang Vieng Urban Renewal;	1,015,501		
<u>TIIGP2-LAO-W04: Vang Vieng Landfill Improvements</u>	5,632,000	2,700,000 (based on BOQ DED from PPTA)	Under Review
V5. Vang Vieng Solid Waste Management Improvements.	5,632,000		
Total	29,676,093	25,446,564	

Annex 2: Progress towards DMF targets and activity implementation as of 30 September 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 September 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		
	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		
	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%		
	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 September 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	Bidding documents for Package TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements were issued on 18 September 2019 and bid opening is scheduled for 30 October 2019. Target for contract award: December 2019. This package includes 15.3 km of improvement of access roads to tourist sites. Update of detailed design for package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements in ongoing. This package includes 0.8 km of access roads.	
		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
						Update of detailed design for package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements in ongoing. This package includes septage sludge treatment facility. Capacity of the facility to be finalized.

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 September 2019
	Lao PDR	0 ha	24.5 ha		Bidding documents for Package TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements were issued on 18 September 2019 and bid opening is scheduled for 30 October 2019. Target for contract award: December 2019. This package includes 0.5 ha catchment area of flood protection and drainage improvement.
	1e. Solid waste management services improved for 5,700 households and businesses (2017 baseline)	2,596	5,700		
	Cambodia	968	1,600		
	Lao PDR	1,628	4,100		Update of detailed design for package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements in ongoing, and institutional arrangements for enhanced solid waste management in Vang Vieng are ongoing. The targeted number of households and businesses for improved solid waste management services is 4,100.
	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%		23% women participants (93 out of 400) in all consultations held during detailed design preparation and updating of safeguards documents 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)		

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 September 2019
	Lao PDR	0	1 (30% women board members)		<ul style="list-style-type: none"> National Assessment Committees (equivalent to assessment frameworks and certification boards) established for all seven ASEAN Tourism Standards (members appointed to date: 72, 19 (26%) women). Relevant documents on all seven ASEAN Tourism Standards, incl. implementation manuals, translated and published in the Lao language Adaptation of ASEAN Tourism Standards into Lao national standards ongoing.
	2b. 107 hotels in target provinces ASEAN Green Hotel Standard certified (2017 baseline)	45	107		
	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		
	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.

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 September 2019	
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). Target for completion is Q4 2019.
	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			Pending preparation of PPMS (due Q4 2019) and baseline report (due Q1 2020)
	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)			Pending preparation of PPMS (due Q4 2019) and baseline report (due Q1 2020)

Result Chain	Performance Indicators	Baseline	Targets	Data Source	Progress in Lao PDR as of 30 September 2019
	3e. 2 internet-based tourism knowledge repositories developed (2017 baseline)	0	2		
	Cambodia	0	1		No achievements to date. Target for establishment of internet based tourism repository is Q4 2019.
	Lao PDR	0	1		

Key Activities with Milestones	Progress in Lao PDR as of 30 September 2019
1. Urban-rural access infrastructure and environmental services improved	
1.1 Prepare civil works design and bidding documents: Q2 2018–Q4 2019	<ul style="list-style-type: none"> Detailed design completed and bidding documents issued on 18 September 2019 for Package TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements (subprojects C1 and C2). Revision of detailed design for Package TIIGP2-LAO-W04: Vang Vieng Landfill Improvements (subproject V5) is ongoing. Conceptual designs for subprojects V1, V2, V3 and V4 nearly completed. These will be the basis for detailed design.
1.2 Safeguards document approval: Q4 2018–Q4 2019	<ul style="list-style-type: none"> Environmental safeguards documents for subprojects C1 and C2 are approved and included in bidding documents. Social Safeguards Due Diligence Report for C1 and C2 prepared. Updates of environmental and social safeguards documents for subproject V5 are ongoing. Project Grievance Redress Mechanism is being finalized.
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	Procurement for Package Package TIIGP2-LAO-W01: Nakasang and Don Det-Don Khone Access Improvements ongoing. Bid opening scheduled for 30 October 2019 and target for contract award is December 2019.
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	<ul style="list-style-type: none"> Relevant documents on all seven ASEAN Tourism Standards, incl. implementation manuals, translated and published in the Lao language Adaptation of ASEAN Tourism Standards into Lao national standards ongoing.
2.2 Prepare national certification boards and assessor operations manuals: Q2 2019–Q4 2021	National Assessment Committees (equivalent to “certification boards”) established for all seven ASEAN Tourism Standards.
2.3 Train standards assessors (e.g. Green Hotel, Homestay, Clean City, etc.): Q3 2019–Q2 2022	TOT training materials prepared and roll out planned

Key Activities with Milestones	Progress in Lao PDR as of 30 September 2019
2.4 Promote ASEAN tourism standards adoption by service enterprises and cities: Q3 2019–Q4 2023	<ul style="list-style-type: none"> Dissemination workshops with public and private sector participants conducted for all seven ASEAN Tourism Standards in key target destinations. Development of standards website commenced.
2.5 Standards inspection and certification: Q4 2019–Q4 2023	Ongoing
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 target destinations under preparation and targeted for completion by Q1 2020.
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. Target for establishment of internet based tourism repository is Q4 2019.
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	<ul style="list-style-type: none"> PCU staff is receiving on-the-job training and mentoring from the PCU of L3516-LAO: GMS Tourism Infrastructure for Inclusive Growth Project International and National Financial Management and Procurement Specialists recruited and mobilized and are building capacity of project financial management team. International Financial Management and Procurement Specialist conducted an orientation and planning meeting on financial management 28-29 March 2019. PCU financial management team has opportunities to participate in training at ADB LRM.
Implement sex-disaggregated PPMS, safeguards, and gender action plans: Q1 2019–Q4 2023	<ul style="list-style-type: none"> International M&E Specialist contracted and recruitment of national M&E specialist ongoing. Target for completion of PPMS is Q4 2019, and baseline report Q1 2020. National Gender Specialist recruited and mobilized. International Gender Specialist recruited and will mobilize in Q4 2019, and plan and build capacity on GAP implementation.

Annex 3: Weighted implementation table with progress as of 30 September 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																															100.00%	2.50%	2.50%
1.2 Safeguards document approval																															100.00%	0.50%	0.50%
1.3 Complete land acquisition and resettlement																															0.00%	0.00%	0.00%
1.4 Civil works procurement																															30.00%	1.25%	0.38%
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																															10.00%	2.50%	0.25%
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																															10.00%	2.50%	0.25%
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																															50.00%	2.50%	1.25%
1.2 Safeguards document approval																															50.00%	0.50%	0.25%
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										
	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																															75.00%	2.00%	1.50%		
2.2 Establishment of certification bodies and processes																															40.00%	2.00%	0.80%		
2.3 Assessor training																															25.00%	2.00%	0.50%		
2.4 ASEAN Tourism Standards promotion																															10.00%	1.00%	0.10%		
2.5 Implement ASEAN Tourism Standards and the ASEAN Sustainable Tourism Awards																															1.00%	6.00%	0.06%		
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																															65.00%	1.00%	0.65%		
3.3 Policy, Regulation and Master Planning Support																															5.00%	3.00%	0.15%		
3.4 Destination Marketing and Promotion Support																															5.00%	2.00%	0.10%		
3.5 Heritage Interpretation Support																															3.00%	2.00%	0.06%		
3.6 Tourism-related SME development																															1.00%	2.00%	0.02%		
3.7 Establish and maintain internet-based tourism knowledge repositories																															2.00%	1.00%	0.02%		
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%		
Establish project supervision and management structure																															95.00%	1.00%	0.95%		
Mobilize consultants and procure equipment																															90.00%	1.00%	0.90%		
Establish financial management arrangements																															70.00%	1.00%	0.70%		
Financial management and procurement training																															50.00%	1.00%	0.50%		
Finalize monitoring arrangements and establish the project website																															5.00%	1.00%	0.05%		
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%		
																																100.00%	12.80%		

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

Planned Action	Output	Responsible Party	Due Date	Progress	Status of compliance
1. 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	<p>Board approval was 31 August 2018.</p> <p>PCU financial management team was established on 18 February 2019 (ref. MICT letter to ADB Ref. Nr. 068/TIIG2-19, dated 19 February 2019). PCU financial management team comprises of financial controller (govt. staff), chief accountant (externally recruited, contract signed 18 February 2019) and internal auditor (externally recruited, contract signed 18 February 2019).</p> <ul style="list-style-type: none"> PIU Champasak finance and accounting staff recruited and commenced on 1 March 2019 PIU Vientiane province finance and accounting staff recruited and commenced on 1 March 2019 PIU Vang vieng finance and accounting staff recruited and commenced on 1 March 2019 PIU Luang Prabang finance and accounting staff recruited and commenced on 1 March 2019 	Completed with delay
2. 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	<p>Board approval was 31 August 2018.</p> <p>A 7-member National Project Steering Committee, comprising the Vice Minister for Tourism, MICT (Chair), the Director General, Tourism Marketing Department (Vice Chair) and five other senior officials representing various departments of MICT has been established and meets periodically to review progress (ref. 197/TWT, 06/03/2018). Members also serve, as appropriate, on the project's ad-hoc bid evaluation and consultant selection committees. A 11-member project coordination committee has also been established, chaired by the project director, with members from various departments and units in MICT involved in project implementation (ref. 207/TWT, 07/03/2018).</p>	Partially Completed

Planned Action	Output	Responsible Party	Due Date	Progress	Status of compliance
3. 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.	<p>The project met condition for withdrawal from the grant account stated in para. 4 of Schedule 2 of Grant Agreement, which ADB acknowledged on 20 February 2019 and advance to the advance account was disbursed on 2 April 2019.</p> <p>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.</p>	<p>Completed by due date</p> <p>ADB processed and approved initial disbursement to advance account in April 2019</p>
4. 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 compliance with government FM-EMP. Project disbursement arrangements and procedures established in accordance with government FM-EMP 	<p>EA, assisted by project consultants</p> <p>PCU and PIU, assisted by project consultants</p> <p>PCU, PIU and ADB</p> <p>EA and MEF ADB</p>	Within six months of project effectiveness	<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) will be finalized by 8 November 2019. There has been discussion with the accounting software vendor for the proposed enhancement of the accounting software developed under L3156 to fit the requirements of the project. Accounting software will be installed by December 2019. A progress report template was agreed that links financial with physical progress. PCU has attended an orientation on financial management of ADB-financed projects delivered by the International Financial Management and Procurement Specialist (IFMPS) on 28-29 March 2019. Te IFMPS conducted a financial management training to discuss the preparation of withdrawal applications and key features of the FMM with PCU finance staff in August 2019. 	Ongoing

Planned Action	Output	Responsible Party	Due Date	Progress	Status of compliance
	<p>regulations and procedures; staff trained in their operation.</p> <ul style="list-style-type: none"> • Internal audit function established. • Independent external auditor appointed. • ADB Inception mission Aide-Mémoire confirms suitable financial management system. 			<p>Training on the use of the accounting software will be conducted upon completion of the software.</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. • As per para. 64 of PAM, the State Audit Organization will audit the project financial statements. 	
5. 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	Two PCU attended ADB's in-country disbursement seminar in June 2019. However, PIU staff were not invited to the seminar due to limited slots (allocated only 2 staff per project). PIU staff will be invited for 2020 disbursement seminar	Partially Completed
6. 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>Project effectiveness 25 December 2018.</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 will be 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). • EA to coordinate with ADB and MOF on Anti-corruption before publishing on website 	Ongoing

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 September 2019

Grant 0599-LAO: Second GMS Tourism Infrastructure for Inclusive Growth Project (49387-002)																		
Procurement Monitoring Sheet - Civil Works																		
<i>Procurement Plan Approved on: 5 September 2019 (Version 1)</i>																		
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	Sep-19	5,930,000	13-Sep-19	18-Sep-19	18-Sep-19	30-Oct-19								Updated cost estimate
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		Q3/2020	Target: Q1/2020	2,700,000												Revised advertising date; updated cost estimate
Total						25,446,564.000												

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

Status of Procurement - Goods

Procurement Plan Approved on: 5 September 2019 (Version 1)

Package No.	Description	Mode	Resp Proj Mgt Unit	CA Target Date	Adv Date	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			Q1/2019	255,000	2															
TIIGP2-LAO-G01a	PCU & PIU vehicles (3 units)	NCB			13-Feb-19	155,000		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-G01b	PIU vehicles (2 units)	NCB				100,000																
TIIGP2-LAO-G02	PCU office furniture and equipment	Shopping			Q4/2018	20,000	Various															
TIIGP2-LAO-G02															19-Feb-19	22-May-19	G20443	LAK	31,955,000	3,677		
TIIGP2-LAO-G02-02															14-Feb-19		G20860	LAK	17,200,000	1,994		
TIIGP2-LAO-G02-03															18-Mar-19		G20861	\$	3,500	3,500		
TIIGP2-LAO-G02-04															9-Apr-19			LAK	49,170,000	5,724		
TIIGP2-LAO-G02-05															11-Apr-19		G20865	LAK	7,548,000	867		
TIIGP2-LAO-G02-06															11-Apr-19		G20866	LAK	33,000,000	3,836		
TIIGP2-LAO-G03-VV01	PIU office furniture and equipment (4 PIUs)	Shopping			Q1/2019	80,000	Various															
TIIGP2-LAO-G03-VV01															25-Mar-19		G20868	LAK	45,782,000	5,301		
TIIGP2-LAO-G03-VV02															26-Mar-19		G20869	LAK	56,760,000	6,571		
TIIGP2-LAO-G03-VV03															28-Mar-19		G20870	LAK	23,953,000	2,731		
TIIGP2-LAO-G03-VV04															30-Mar-19		G20871	LAK	39,864,000	4,616		
TIIGP2-LAO-G03-LPB01															14-Jun-19		G20876	LAK	67,947,000	7,859		
TIIGP2-LAO-G03-LPB02															27-Jun-19		G20877	LAK	97,747,000	11,291		
TIIGP2-LAO-G03-CP01															24-Jun-19		G20878	LAK	63,294,000	7,295		
TIIGP2-LAO-G03-VP01															26-Mar-19		G20879	LAK	43,211,300	4,998		
TIIGP2-LAO-G03-VP02															26-Mar-19		G20881	LAK	60,099,600	6,951		
TIIGP2-LAO-G03-VP03															20-Jun-19		G20883	LAK	62,421,348	7,211		
TIIGP2-LAO-G04	Vang Vieng landfill management equipment	NCB				1,160,000	2															Updated cost estimate
TIIGP2-LAO-G05	Equipment for ASEAN Standards certification bodies	Shopping			Q2/2019	30,000	Various															
TIIGP2-LAO-G06	Equipment for ASEAN Tourism Standards Implementation (public sector)	Shopping				500,000	Various															
TIIGP2-LAO-G07	Equipment for DMO secretariats	Shopping			Q2/2019	40,000	Various															
															19-Mar-19		G20884	LAK	78,400,000	9,100		PCSS to be issued under
															19-Mar-19		G20885	\$	4,300	4,300		PCSS to be issued under
															11-Apr-19		G20886	LAK	2,310,000	269		PCSS to be issued under
															22-Apr-19		G20887	LAK	41,997,300	4,882		PCSS to be issued under
TIIGP2-LAO-G08	Equipment for Heritage Interpretation	Shopping				180,000	Various															
TIIGP2-LAO-G09	Equipment for SMEs to Implement Private Sector-Led Actions in the DMPs	Shopping				325,000	Various															
Total						2,590,000																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: 5 September 2019 (Version 1)																										
Package No.	Description	Mode	Resp Proj Mgt Unit	CA Target Date	Adv Date	No. of Contracts	Estimate (\$ million)	Submission 1		RFP Issuance	RFP Closing Date	Submission 2		Submission 2-3		Submission 3		Submission 4		Submission 5			Status			
								Received	Approved			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			06-06-19	1	100,876.00	24-Jul-19	13-Aug-19			21-Aug-19	22-Aug-19							19-Aug-19	21-Aug-19	G20821	\$ 121,000	121,000		
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			06-06-19	1	34,500.00	24-Jul-19	13-Aug-19			21-Aug-19	22-Aug-19							19-Aug-19	21-Aug-19	G20823	\$ 34,500	34,500		
TIIGP2-LAO-C06	National Gender Specialist	ICS			06-06-19	1	49,500.00	24-Jul-19	13-Aug-19			21-Aug-19	22-Aug-19							19-Aug-19	21-Aug-19	G20822	\$ 49,500	49,500		
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 Specialist	ICS			06-06-19	1	45,500.00	24-Jul-19	28-Aug-19			30-Aug-19	25-Sep-19							29-Aug-19	30-Aug-19	G20994	\$ 45,500	45,500		
TIIGP2-LAO-C10	National Monitoring and Evaluation Specialist	ICS			06-06-19	1	53,500.00																		Submission 1 - for submission to ADB on 10 Oct 19	
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-Variou Resource Persons	SSS			Q2/2019	40	200,000.00																			
	TIIGP2-LAO-C12-001	SSS				1																	\$ 3,150	3,150		
	TIIGP2-LAO-C12-002	SSS				1																	\$ 2,500	2,500		
	TIIGP2-LAO-C12-003	SSS				1																	\$ 3,150	3,150		
	TIIGP2-LAO-C12-004	SSS				1																	\$ 2,100	2,100		
TIIGP2-LAO-C13	International Urban Planning and Design Specialist	ICS			Q4 2019	1	93,290.00																		Submission 1 - for submission to ADB on 29 Oct 19	
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			Q4 2019	1	73,880.00																		Submission 1 - for submission to ADB on 29 Oct 19	
TIIGP2-LAO-C16	International Natural and Cultural Heritage Specialist	ICS			Q4 2019	1	22,311.00																		Submission 1 - for submission to ADB on 29 Oct 19	
	Total						5,044,288.00																\$ 4,296,593	4,296,593		
	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																									
	Not Applicable																									

Annex 7: Utilization of consulting services as of 30 September 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-Sep-19	Balance (pm)	Notes
TIIGP2-LAO-C01: Project Management and Civil Engineering Support (Firm)									
International									
1 International Civil Engineer - Co-Team Leader	Mr. Mrityunjoy Ghosh	54	05-Aug-19	41	41	04-Apr-23	1.95	39.05	
2 International Environmental Specialist	Ms. Charlotte Seidenberg	6	12-Aug-19	6	6	04-Apr-23	1.17	4.83	
3 International Social Safeguards Specialist (Resettlement & Indigenous People)	Mr. Nils Gardek	6	05-Aug-19	6	6	04-Apr-23	1.37	4.63	
4 International Institutional Development Specialist	Mr. Per Gardin	4	05-Aug-19	4	4	04-Apr-23	0.09	3.91	
Subtotal		70		57	57		4.58	52.42	
National									
1 National Lead Civil Engineer	Mr. Dala Boualavong	54	07-Sep-19	41	41	04-Apr-23	0.73	40.27	
2 National Environmental Specialist	Mr. Bounheuang Phanthasith	12	05-Aug-19	12	12	04-Apr-23	1.86	10.14	
3 National Social Safeguards Specialist (Resettlement & Indigenous People)	Mr. Khamtanh Bounmany	12	05-Aug-19	12	12	04-Apr-23	1.86	10.14	
4 National Institutional Development Specialist	Mr. Sunnti Duangtavanh	12		12	12			12.00	
	<i>National Civil Engineer 1</i>	<i>36</i>						<i>0.00</i>	<i>Cancelled during contract negotiations</i>
	<i>National Civil Engineer 2</i>	<i>36</i>						<i>0.00</i>	<i>Cancelled during contract negotiations</i>
5 Resident Engineer 1	Mr. Oudone Phothicanh			24	24			24.00	Introduced during contract negotiations
6 Resident Engineer 2	Mr. Xayavath Chanthavongsa		11-Sep-19	24	24	04-Apr-23	0.41	23.59	Introduced during contract negotiations
7 Construction Supervisor 1	Mr. Khaysy Visounalath			24	24			24.00	Introduced during contract negotiations
8 Construction Supervisor 2	Mr. Koulab Samonety			24	24			24.00	Introduced during contract negotiations

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-Sep-19	Balance (pm)	Notes
9 Construction Supervisor 3	Mr. Phongsakda Phiakhamgone			20	20			20.00	Introduced during contract negotiations
10 Construction Supervisor 4	Mr. Phoumano Khodpanya			20	20			20.00	Introduced during contract negotiations
Subtotal		162		213	213		4.86	208.14	
Summary									
<i>Total International</i>		<i>70</i>		<i>57</i>	<i>57</i>		<i>4.58</i>	<i>52.42</i>	
<i>Total National</i>		<i>162</i>		<i>213</i>	<i>213</i>		<i>4.86</i>	<i>208.14</i>	
Grand Total TIIGP2-LAO-C01: PMCES Consultant		232		270	270		9.44	260.56	
Capacity Building Support (Individuals)									
International									
1 TIIGP2-LAO-C02: International Tourism Specialist - Co-Team Leader	Mr Henricus Braunius PONNE	54	19-Feb-19	54	54	31-Dec-24	5.00	49.00	
2 TIIG2P-LAO-C03: International Tourism Standards Specialist	Mr Ross Alexander Corbett	8	19-Aug-19	8	8	31-Dec-24	0.00	8.00	
3 TIIGP2-LAO-C05: International Gender Specialist	Ms Luz Lopez Rodriguez	2	19-Aug-19	2	2	31-Dec-24	0.00	2.00	
4 TIIGP2-LAO-C07: International Financial Management & Procurement Specialist	Ms Nida Azada CALMA	5	19-Feb-19	5	5	31-Dec-24	1.86	3.14	
5 TIIGP2-LAO-C09: International Monitoring and Evaluation Specialist	Mr. Nils Gardek (through Ramboll)	3	28-Aug-19	2.5	2.5	31-Dec-24	0.00	2.50	
Subtotal		72		71.5	71.5		6.86	64.64	
National									
1 TIIGP2-LAO-C04: National Tourism Specialist - Deputy Team Leader	Ms Phongjith DAVADING	54	19-Feb-19	54	54	31-Dec-24	6.00	48.00	
2 TIIGP2-LAO-C06: National Gender Specialist	Ms Sipaseuth Chanthapanya	12	19-Feb-19	12	12	31-Dec-24	0.00	12.00	
3 TIIGP2-LAO-C08: National Financial Management & Procurement Specialist	Mr Kim XAISANA	6	19-Feb-19	6	6	31-Dec-20	2.00	4.00	
4 TIIGP2-LAO-C10: National Monitoring and Evaluation Specialist		12		12	12			12.00	

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-Sep-19	Balance (pm)	Notes
5 TIIGP2-LAO-C11: National Internal Auditor	Mr Somphet PHONGSVANH	0	18-Feb-19	30	30	31-Dec-24	1.00	29.00	Position included in updated procurement plan dated 22 Match 2019
6 TIIGP2-LAO-C12: Tourism experts - various resource persons	001: Mr Phonesouk Khounsomebat 002: Mr Jens Jensen (Norconsult) 003: Mr Phonesouk Khounsomebat 004: Mr Bounnasack Keosacksith	lump-sum		lump-sum	lump-sum		lump-sum		40 contracts included in procurement plan.
7 TIIGP2-LAO-C13: International Urban Planning and Design Specialist		lump-sum		lump-sum	lump-sum		lump-sum		Position included in updated procurement plan dated 22 Match 2019
8 TIIGP2-LAO-C14: National Destination Management Specialist	Mr Vila Chanthavong	lump-sum	24-Apr-19	lump-sum	lump-sum	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		lump-sum		lump-sum	lump-sum		lump-sum		Position included in updated procurement plan dated 22 Match 2019
10 TIIGP2-LAO-C16: International Natural and Cultural Heritage Specialist		lump-sum		lump-sum	lump-sum		lump-sum		Position included in updated procurement plan dated 22 Match 2019
Subtotal		84		114	114		9.00	105.00	
Summary CBS Individual Consultants									
<i>Total International</i>		<i>72</i>		<i>71.5</i>	<i>71.5</i>		<i>6.86</i>	<i>64.64</i>	
<i>Total National</i>		<i>84</i>		<i>114</i>	<i>114</i>		<i>9</i>	<i>105</i>	
Total CBS Individual Consultants		156		185.5	185.5		15.86	169.64	
Project Summary									
Total International		142		128.5	128.5		11.44	130.56	Compared to p-m in PAM
Total National		246		327	327		13.86	232.14	Compared to p-m in PAM
Project Grand Total		388		455.5	455.5		25.30	362.70	Compared to p-m in PAM

Annex 8: GAP implementation progress as of 30 September 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 – 30 June 2025
Gender Category:	Effective Gender Mainstreaming
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		9 (5 planned; 4 ongoing)	
23 Targets	8	15 (7 planned; 8 ongoing)	
	10, 14, 15, 16, 17, 18, 19, 22		

Gender Action Plan (GAP) ¹	Progress to date (as of 30 September 2019) ²	Issues and Challenges ³
Output 1: Urban-Rural Access Infrastructure and Urban Environmental Services Improved.		
Objective 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.	Completed. Pre-design consultations conducted during project preparation for C1, C2 and V5. With Champasak Province, a total of three (3) consultations have been held in regard to the detailed design, including for the first stage: <ul style="list-style-type: none"> 20-21 Jun. 2018, First consultations were held at Pakse and on-site with participation of ADB, PCU and PIU 	MICT, contractors and PIUs will purposively involve local women representatives from the village especially from the Lao Women's Union (LWU) and the sub-Commission on Women (CAW) that have village, district and provincial units to monitor and articulate

¹ GAP Activities, Indicators and Targets, Timeframe and Responsibility

² 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.

³ 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.

	<p>representatives, provincial and district officials (12 total/ 5 women)</p> <ul style="list-style-type: none"> Specifically, for the Nakasang Access Road and Port Rehabilitation (C1)/ Don Det-Don Khone Access Improvement (C2) consultations were held on 17-18 Oct. 2018, Second round of consultations focusing on design and future operation of the landfill and environmental considerations for detailed design and operation (37 total/ 12 women) Public consultation of the for the Vang Vieng Solid Waste Management Improvements (V5), Consultations were held on 19 Jun. 2018, First consultations were held in Vang Vieng and on site at the land fill location with the participation by ADB, PCU and PIU representatives and provincial and district officials (12 total/ 4 women). In addition, on site consultations in Ban Phon Vieng where Employment opportunities were discussed with local stakeholders at the improved landfill were held on 13 October 2018 (38 total/ 21 women) <p>Ongoing: Pre-design consultation carried out for the second stage sub-projects (V1, V2, V3 and V4), where in Vientiane Province a total of five (5) consultations incorporating gender responsiveness have been carried out, including:</p> <ul style="list-style-type: none"> At the NamNgum consultations with local stakeholders on the design planning process was carried out on 15 August 2019, with PIU (Nam Ngum) and local stakeholders on the conceptual design at Nam Ngum Tourism Management Center (22 total/ 5 women), and on 16 September 2019 a follow up workshop with the with same PIU (Nam Ngum) on drafted conceptual design at Vientiane Province culture hall (31 total / women 6) For the the Kaeng Yui Waterfall Access Improvements (V2) a consultation meeting at on the design planning and feedback process was held in Na Douang village on 16 August 2019 (28 total/ 9 women) Consultation workshops were held at the VangVieng PIU office on 16 August 2019 (total 17/ women 2), with 	<p>women's concerns, recommendations and concurrence with the project design, esp. on employment opportunities during and post-construction.</p> <p>The consultation with local stakeholders, including women will continue under the stage 2 detailed design, and the project will purposely make an effort to encourage active female participation</p>
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	participation from local stakeholders on the planning and design process with follow up workshop on 17 September with the draft conceptual design report (total 25/ women 5) Ongoing:	
Target 2: At least 50% of people consulted are women.	Ongoing. To date of 210 local stakeholders have been involved in the design planning process, of whom 64 have been women, representing 30.4% of the total participation	To meet the target PCU, PIUs need to consciously increase women's participation during the design planning process to reach the overall target of 50% in the next two quarters. Women should be encouraged to speak out and their concerns documented and addressed.
Objective 2. Promote women's economic employment and safety.		
Target 3: At least 500 entrepreneurs (60% women) receive SME support services (2017 baseline:0)	Ongoing: Target needs to be revised to move to other output since there are no related activities under Output 1	The PCU and GAD specialists will review the PAM and suggest options to adjust this target under Output 2 or Output 3, and to seek further clarification of project activities that will support the achievement of this output and be indicated in the GAP as well.
Target 4: At least 10% of unskilled workers hired for works construction are local women (2017 baseline: ~10%).	Planned. Bid documents for construction projects include provisions to hire local women among unskilled workers. Contractor hiring records will be used to monitor achievement against targets.	This provision should be included in the orientation to awarded contractor to include this target in their work plan. Contractors will be encouraged to post job recruitment ads with TVET schools where women are trained in construction-related skills. GAD specialists to coordinate with PMCES on monitoring compliance.
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	Planned. Bid documents for construction projects include provisions to provide separate WASH facilities and quarters for men and women workers and provide suitable safety training and equipment.	
Activity 2: Contractors provide gender-responsive information on HIV/AIDS, STI, human trafficking and child labor exploitation prevention.	Planned. Related project activities have not yet commenced.	The GAD specialists will prepare and provide information materials and resource groups to give the information. Train and mobilize GAD focal persons in January 2020.
Objective 3. Improve gender design features of tourism facilities to support economic empowerment.		
Target 5: All women vendors return to improved	Planned. Target needs to be reviewed and revised.	

<p>market space after construction (2017 baseline: ~80% (120 women)).</p>	<p>Infrastructure design adjusted for minimum displacement of vendors in place and assurance of their getting back better vendor space.</p>	<p>Coordinate with PIUs updated data on market spaces and number of women & men shop owners affected;</p>
<p>Target 6: At least 80% (80 women) of newly constructed shop owners/operators are women.</p>	<p>Planned. Target needs to be reviewed and revised. Related project activities have not yet commenced.</p>	<p>Follow-up dialogues on how to minimize business interruption; and ensure that 80 % of shop owners who returned to improved market spaces are women.</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>Ongoing. For detailed designs for C1, C2 and V5 prepared during project preparation:</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 workers are planned for the Vang Vieng landfill subproject (V5). • 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>	<p>Coordinate with civil works re. compliance to gender features e.g. foot paths, public lighting, separate toilets, lockers, access for those with disability, road safety signs; safety gears (boots, gloves, masks, etc.) for workers. GAD specialists to attend some of consultations during construction and post-construction.</p>
<p>Activity 4: Infrastructure user charges (e.g. market stall rent and waste collection fees) are affordable to male and female users.</p>	<p>Planned October 10, 2019. Dialogue of GAD specialists and PIU with Vang Vieng land fill residents who requested discount in garbage fees. The GAD specialists need to consult with institutional specialists on this matter</p>	<p>Coordinate with PIUs on user charge rates that consider on affordability of community residents.</p>
<p>Objective 4. Ensure women’s equal participation in gender-sensitive IEC programs to mitigate tourism’s social risks.</p>		

<p>Target 7: 50% of IEC facilitators trained by the project are women.</p>	<p>Planned: GAD specialists to prepare gender-sensitive IEC campaigns and help prepare plan for implementation of campaign.</p>	<p>In coordination with PCU the GAD specialists to ensure that the design of IEC materials are gender-sensitive</p>
<p>Target 8: At least 50% of people reached by gender-sensitive IEC campaigns are women (2017 baseline: 0% women).</p>	<p>Planned: GAD specialists to prepare gender-sensitive IEC campaigns, and prepare plan for implementation of campaign</p>	<p>Include in the PPMS measurable approach to assess the reach of the campaign</p>
<p>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.</p>	<p>Planned. GAD specialists to prepare gender-sensitive IEC campaigns, and prepare plan for implementation of campaign</p>	<p>Coordinate with IEC team on the design and plan or IEC materials.</p>
<p>Output 2: Capacity to implement ASEAN Tourism Standards strengthened</p>		
<p>Objective 5. Promote women's leadership.</p>		
<p>Target 9: At least 30% of ASEAN tourism standards certification board members and assessors are women (2017 baseline: 0).</p>	<p>Ongoing. Four (4) certification bodies were established, with a total 58 members, of who 16 are women (28%).</p> <ul style="list-style-type: none"> • Certification body established for ASEAN clean tourist city of Lao PDR, workshop held on 25-26 July, 2019, in Vang Vieng; of the total of 13 participants, 1 woman. • Certification body established for ASEAN Community-Based Tourism Standard, workshop on 29-30 July, 2019, in Vang Vieng; of the total 14 participants, 4 are women. • Certification body established for ASEAN Public Toilet Standard of Lao PDR, 12-14 Aug 2019, Thalad, Vte. Province; Of the total 15 members, 5 are women. • Certification body established on ASEAN Homestay Standard on 1-2 Aug 2019 in Vang Vieng workshop; of the 16 members, 6 are women. 	<p>Need to ensure that certification bodies in Lao follow a gender-balanced composition and use gender indicators to the applied standards.</p>

Target 10: At least 35% of ASEAN tourism standards trainers are women (2017 baseline: 0)	Achieved. Three trainers; workshop were completed. Of the total 63 trained, 32 are women or 51 %	Support the ASEAN trainers with gender modules and materials.
Target 11: At least 45% of ASEAN tourism awards selection panel members are women (2017 baseline: 0).	Planned. Related project activities have not yet commenced.	Coordinate with ASEAN tourism awards panel to include gender criteria in awards selection
Objective 6. Promote equal access to ASEAN tourism standards training and information		
Activity 6: ASEAN tourism standards manuals translated to Lao language.	Ongoing. Design and publication of 500 copies of The ASEAN Community-Based Tourism Standard of Lao PDR (Lao version) was completed in 30 Aug. 2019 Design and publication of 400 copies ASEAN Homestay Standard manual of Lao PDR version was completed in Sept. 2019. Design of the Lao version of ASEAN Clean Tourist City Standard handbook (of Lao PDR) completed as of 6 Aug 2019. Publication of the ASEAN Public Toilet Standard of Lao PDR in Lao language as of August 2019, 300 copies.	Review the gender content of the tourism standards manuals. For publication
Output 3: Institutional arrangements for tourism destination management and infrastructure O&M strengthened		
Objective 7. Promote gender balanced project management.		
Target 13: Women comprise at least 30% of project steering committee members. (2017 baseline: ~25% (4 women))	Ongoing. The National Project Steering Committee consists of 7 members; 2 (29%) of who 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.	Achieved. Of the total 521 staff who has attended technical training, 192 or 37 % are women.	

Objective 8. Promote women's representation in destination management and infrastructure O&M entities.		
Target 17: DMN managers comprise at least 30% women (2017 baseline: ~30%).	Achieved: Of the total 14 DMN managers at provincial and national secretariat, 12 or 86 % are women.	It is suggested that instead of the term 'DMO,' a more appropriate term is DMN, destination management network, that is more inclusive of the variety of stakeholders and appropriate to the Lao political context. Include DMN managers in the regional gender workshops with PIUs & GAD focal persons in January 2020.
Target 18: Women comprise at least 40% of total DMO membership (2017 baseline: ~30%).	Achieved. National-level DMN: 52 par, 34 women (46%) Provincial-level DMNs are being restructured/established during Q3 2019. 12 July 2019, DMN meeting held on 12 July 2019 in Vientiane. Of the total 80 participants, 38 or 48 % are women .	
Target 19: At least 30% of 150 public works and tourism site managers (90 Lao public works and tourism site managers) are women, with skills, equipment, and budget needed to effectively develop and implement tourism management plans and infrastructure O&M (2017 baseline: 0)	Achieved. Of the total 118 Lao tourism site managers trained, 45 or 53 % are women.	GAD specialists to review the content of DMPs and provide feedback / suggestions on gender responsiveness.
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.	Planned. 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.	
Target 21: At least 50% of participants in tourism-related service training are women (2017 baseline: ~70%).	Ongoing	
Objective 9. Improve gender mainstreaming capacity to implement and monitor the GAP and report gender impacts.		

<p>Target 22: 50% of 18 gender focal persons appointed to PCUs, PMUs, and PIUs are men.</p>	<p>Achieved. Male and female gender focal points have been appointed at the PCU and in 4 PIUs. They have no gender training and experience in doing their job.</p>	<p>Regional GAD training in January 2020 for PIUs and partners.</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>Ongoing. The International Gender Specialist (IGS) is recruited and mobilized in October 2019. She has been working closely with the National Gender Specialist and conferred with PCU officers and PMCES and PPMS.</p> <p>Field visits and consultations in Nang Ngum and Vang Vieng were conducted.</p> <p>Gender orientation training to PCU and project consultants was conducted on October 21, 2019. A total of 18 attended, 10 or 56 % of who are women.</p>	
<p>Activity 8: GAP targets and actions are reflected in annual project work plans and reported in quarterly progress reports.</p>	<p>Ongoing. 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>Regional GAD training proposed in January 2020 for PIUs and partners.</p>
<p>Activity 9: PPMS includes sex-disaggregated indicators and templates to track GAP progress, implementation, and project benefits.</p>	<p>Planned. The PPMS is expected to be completed Q1 2020, and will include the GAP indicators</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>Planned. to be started towards end of 2020.</p>	<p>Template and outline of stories can be discussed in 2020.</p>

Annex 9: Status of compliance with Grant Covenants as of 30 September 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 • Annual project financial statements (APFS) will be audited by the State Auditing Organization of Lao PDR. The first annual audit will be undertaken, and the audited APFS together with the auditor's opinion, submitted to ADB within 6 months from the end of Fiscal Year 2019 (i.e. by 30 June 2020). Since no counterpart funds were used and no withdrawals made from the grant account during the period of 25 December 2018 (project effectiveness) to 31 December 2018, the APFS for Fiscal Year 2018 will be combined with the APFS 2019, as approved by ADB.
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 audited APFS is 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	Implementation Arrangements 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.

Item	Covenants	Status of Compliance
7	<p><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.</p>	Being complied with.
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>	Being 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>	Being 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.

Item	Covenants	Status of Compliance
11	<p><u>Safeguards - Related Provisions in Bidding Documents and Works Contracts</u></p> <p>The Recipient shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to:</p> <p>(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;</p> <p>(b) make available a budget for all such environmental and social measures;</p> <p>(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;</p> <p>(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and</p> <p>(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.
12	<p><u>Safeguards Monitoring and Reporting</u></p> <p>The Recipient shall do the following:</p> <p>(a) submit semi- annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(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</p> <p>(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></p> <p>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>	Being complied with.

Item	Covenants	Status of Compliance
14	<p><u>Labor Standards, Health and Safety</u></p> <p>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.</p> <p>The Recipient shall strictly monitor compliance with the requirements set forth in paragraph 10 above and provide ADB with regular reports.</p>	Being complied with.
15	<p><u>Gender and Development</u></p> <p>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>Being complied with.</p> <ul style="list-style-type: none"> • GAP monitoring and reporting will be integrated into the PPMS • Updated GAP monitoring table attached to quarterly reports.
16	<p><u>Counterpart Support</u></p> <p>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></p> <p>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.

Item	Covenants	Status of Compliance
18	<p><u>Governance and Anticorruption</u></p> <p>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.