

**ROYAL GOVERNMENT OF CAMBODIA
MINISTRY OF PUBLIC WORKS AND TRANSPORT**

**Second Greater Mekong Subregion Tourism
Infrastructure for Inclusive Growth Project**

ADB Loan No. 3701 – CAM (COL)

**Financial Statements
and Statement of Compliance
for the year ended 31 December 2021**

Project information

Project title	Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project
Project number	49387-002
Project status	Active
Sector/Subsector	Industry and trade / Small and medium enterprise development Transport / Road transport (non-urban) - Urban roads and traffic management - Water transport (non-urban) Water and other urban infrastructure and services / Urban flood protection - Urban solid waste management
Executing Agency	Royal Government of Cambodia Ministry of Public Works and Transport Street 598 (H.E. Chea Sophara Street), Sangkat Chrang Chamres 2, Khan Russey Keo, Phnom Penh Ministry of Tourism Czech Republic Blvd (169), Phnom Penh, Cambodia
Infrastructure Project Management Unit	Ministry of Public Works and Transport
Source of funding	Asian Development Bank – ADB Loan No. 3701 – CAM (COL) Royal Government Cambodia
Project period	25 December 2018 to 30 June 2024
Project cost	USD 30,890,000
Reporting period	for the period from 1 January to 31 December
Principal banker	National Bank of Cambodia
Auditors	KPMG Cambodia Ltd

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

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PART I

**Financial Statements
for the year ended 31 December 2021
and
Report of the Independent Auditors**



Ministry of Public Works and Transport

Statement by the management

I, the undersigned, do hereby state that in my opinion, the accompanying financial statements, which comprise the statement of receipts and payments, and statement of advance account for the year ended 31 December 2021 and notes as set out on pages 5 to 26 of Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project ("the Project"), financed under the Asian Development Bank Loan No. 3701 – CAM (COL) and implemented by the Ministry of Public Works and Transportation ("MPWT") present fairly, in all material respects, in accordance with the Cash Basis of Accounting of Cambodian Public Sector Accounting Standards ("CPSAS").

On behalf of the Project's management:

H.E. Vong Pisith
Project Director
Ministry of Public Works and Transport

Phnom Penh, Kingdom of Cambodia

31 May 2022



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Report of the independent auditors To the Ministry of Economy and Finance Royal Government of Cambodia

Opinion

We have audited the accompanying financial statements of Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (“the Project”), financed under the Asian Development Bank Loan No. 3701 – CAM (COL) and implemented by the Ministry of Public Works and Transport (“the Infrastructure Project Management Unit” or “the IPMU”), which comprise the statement of receipts and payments, and statement of advance account for the year ended 31 December 2021 and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 26 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash balance of the Project as at 31 December 2021, and its cash receipts and payments for the year then ended in accordance with the Cash Basis of Accounting of Cambodian Public Sector Accounting Standards (“CPSAS”).

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Appendix I on page i, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter – Restriction on Use

We draw attention to Note 2 to the financial statements, which describes the financial statements are prepared for the information of and use by the management of the Project, the Ministry of Economy and Finance (“MEF”) and the Asian Development Bank (“ADB”). As a result, the financial statements may not be suitable for another purpose. Our audit report is intended solely for the management of the Project, MEF and ADB and should not be used by other parties other than the management of the Project, MEF and ADB. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the IPMU’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditors’ Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the IPMU's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the IPMU to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **KPMG Cambodia Ltd**

Lim Chew Teng
Partner

Phnom Penh, Kingdom of Cambodia

31 May 2022

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of receipts and payments for the year ended 31 December 2021

	Note	Year ended 31 December 2021			Year ended	Cumulative
		ADB Loan No. 3701 US\$	RGC US\$	Total US\$	31 December 2020 US\$	period from 25 December 2018 to 31 December 2021 US\$
Receipts						
Asian Development Bank	5	6,021,584	-	6,021,584	2,970,442	9,462,074
Royal Government of Cambodia	5	-	23,320	23,320	-	53,320
		<u>6,021,584</u>	<u>23,320</u>	<u>6,044,904</u>	<u>2,970,442</u>	<u>9,515,394</u>
Payments by category and financier						
Civil works	6	5,234,568	-	5,234,568	2,408,769	7,643,337
Goods and equipment	7	4,623	-	4,623	-	57,023
Consulting services	8	674,623	-	674,623	427,211	1,408,536
Recurrent costs	9	48,772	20,770	69,542	58,041	146,659
		<u>5,962,586</u>	<u>20,770</u>	<u>5,983,356</u>	<u>2,894,021</u>	<u>9,255,555</u>
Increase in Cash		<u>58,998</u>	<u>2,550</u>	<u>61,548</u>	<u>76,421</u>	<u>259,839</u>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of receipts and payments (continued) for the year ended 31 December 2021

		Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
	Note	ADB Loan No. 3701 US\$	RGC US\$	Total US\$	US\$	US\$
Cash at beginning of the year	4	191,611	6,680	198,291	121,870	-
Increase in Cash		58,998	2,550	61,548	76,421	259,839
Cash at end of the year	4	<u>250,609</u>	<u>9,230</u>	<u>259,839</u>	<u>198,291</u>	<u>259,839</u>



H.E. Vong Pisith
Project Director
Ministry of Public Works and Transport

Phnom Penh, Kingdom of Cambodia

31 May 2022



Mr. Mao Dor
Finance Specialist
Ministry of Public Works and Transport

The accompanying notes form an integral part of these financial statements.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of advance account for the year ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
	Note	ADB Loan No. 3701 US\$	US\$	US\$
Part A				
Beginning cash balance	4	<u>191,611</u>	<u>91,880</u>	<u>-</u>
Receipt:				
Initial advance		-	-	300,000
Amount replenished by ADB	5	<u>217,274</u>	<u>208,120</u>	<u>425,394</u>
		<u>217,274</u>	<u>208,120</u>	<u>725,394</u>
Payments made from advance account:				
Goods and equipment	7	4,623	-	57,023
Consulting services	8	104,881	73,658	315,193
Recurrent costs	9	<u>48,772</u>	<u>34,731</u>	<u>102,569</u>
		<u>158,276</u>	<u>108,389</u>	<u>474,785</u>
Ending cash balance	4	<u>250,609</u>	<u>191,611</u>	<u>250,609</u>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of advance account (continued) for the year ended 31 December 2021

	Note	Year ended 31 December 2021 ADB Loan No. 3701 US\$	Year ended 31 December 2020 US\$	Cumulative period from 25 December 2018 to 31 December 2021 US\$
Part B – Advance account reconciliation				
Initial advance	A	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Balance of advance account as at 31 December per bank statement		250,609	191,611	250,609
Less: Outstanding cheque		-	-	-
Add: Petty cash balance		<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance	B	250,609	191,611	250,609
Add: Amount claimed in previous year not yet credited at date of bank statement	C	-	-	-
Add: Amount claimed in current year yet not yet credited at date of bank statement	D	-	-	-

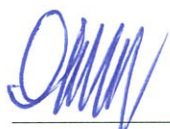
Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of advance account (continued) for the year ended 31 December 2021

	Note	Year ended 31 December 2021 ADB Loan No. 3701 US\$	Year ended 31 December 2020 US\$	Cumulative period from 25 December 2018 to 31 December 2021 US\$
Part B – Advance account reconciliation (continued)				
Total amount withdrawn from the advance account but not yet claimed for replenishment (a+b+c+d)	E	49,391	108,389	49,391
a. Sub-accounts		-	-	-
b. Transfer in transit		-	-	-
c. Current year withdrawn from advance account but not yet claimed for replenishment		49,391	108,389	49,391
d. Other – Previous year withdrawn from advance account but not yet claimed for replenishment		-	-	-
Total advance accounted for (B+C+D+E)		300,000	300,000	300,000



H.E. Vong Pisith
Project Director
Ministry of Public Works and Transport

Phnom Penh, Kingdom of Cambodia
31 May 2022



Mr. Mao Dor
Finance Specialist
Ministry of Public Works and Transport

The accompanying notes form an integral part of these financial statements.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements for the year ended 31 December 2021

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements.

1. Background and activities

The Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (“the Project”) was established under the Loan Agreement No. 3701-CAM (COL) signed on 24 October 2018 between the Asian Development Bank (“ADB”) and the Royal Government of Cambodia (“RGC”) (represented by the Ministry of Economy and Finance). The Asian Development Bank (“ADB”) finances US\$30,000,000 from ADB’s Special Fund resources while the RGC has committed to contribute US\$890,000 equivalent towards the Project’s total estimated cost of \$30,890,000.

The financing agreements became effective for implementation on 25 December 2018. The Project is expected to be completed by 31 December 2023 and closed by 30 June 2024.

The loan will have a principal repayment period of 24 years including a grace period 8 years with an interest rate 1% per annum during grace period and 1.5% per annum thereafter. The interest charge will be payable semi-annually on 15 April and 15 October in each year. The principal amount of the loan is payable on a semi-annually instalment commencing from 15 October 2026 and ending on 15 April 2050.

The objective of the Project is to 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 increase access to economic opportunities.

The Project comprises three outputs as the following:

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

This output 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 in Kep and Preah Sihanouk. It includes the following components:

- (i) Kep Solid Waste Management Improvement;
- (ii) Preah Sihanouk Seaside Access and Environmental Improvement; and
- (iii) Preah Sihanouk City–Koh Rong Passenger Pier Improvement.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

1. Background and activities (continued)

The Project comprises three outputs as the following: (continued)

Output 2: Capacity to implement ASEAN Tourism Standards strengthened

This will (i) support 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.

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

This output 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.

On 24 January 2020, the request for cancellation of six ADB-financed subprojects in Preah Sihanouk has been approved by the ADB and reallocated the fund to the main features of replacement subprojects in Kep province under Kep – Angkol Coastal Road Improvement and Kep – Rabbit Island Pier Improvement.

On 18 March 2021, there was an amendment on abovementioned approval by changing the components under Output 1 as following:

- (i) Kep Solid Waste Management Improvement;
- (ii) Kep coastal road improvement; and
- (iii) Rabbit Island (Koh Tonsay) passenger pier improvements in Kep.

These components have already been effectively implemented since 2021.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

1. Background and activities (continued)

The tables below set forth the categories of items of expenditure to be financed out of the proceeds of the ADB Loan No. 3701 – CAM (COL) and RGC financing and the allocation of amounts of the loan to each such category:

Category- ADB Loan No.3701 – CAM (COL)			ADB Financing
No.	Item	Amount Allocated (US\$)	Percentage and Basis for Withdrawal from the Loan Account
		Category	
1	Civil works	19,076,000	100% of total expenditure claimed
2	Goods and equipment	1,250,000	100% of total expenditure claimed
3	Consulting services	2,344,000	100% of total expenditure claimed
4	Project management	392,000	100% of total expenditure claimed
5	Capacity building	1,193,000	100% of total expenditure claimed
6	Recurrent costs	923,000	100% of total expenditure claimed
7	Interest charge	796,000	100% of total expenditure claimed
8	Unallocated	4,026,000	100% of total expenditure claimed
	Total	30,000,000	

Category- RGC Financing			RGC Financing
No.	Item	Amount Allocated (US\$)	Percentage and Basis for Withdrawal from the RGC Funding Account
		Category	
1	Project management	50,000	100% of total expenditure claimed
2	Land Acquisition and Resettlement	40,000	100% of total expenditure claimed
3	Recurrent costs (*)	710,000	100% of total expenditure claimed
4	Unallocated	90,000	100% of total expenditure claimed
	Total	890,000	

(*) The RGC contribution on the recurrent costs are in-kind.

(**) The RGC will finance taxes and duties through exemption and/or cash contribution and cash contribution for other costs.

The Ministry of Tourism (“MOT”) and the Department of Tourism (“MOT”) of Kep and Preah Sihanouk are the Project’s Executing Agency (“PEA”) to assume overall responsibility over the implementation of ADB-financed project, while the Ministry of Public Works and Transport (“MPWT”) is the Infrastructure Project Management Unit (“IPMU”) for supervise and provides technical support to Project Implementation Unit (“PIU”) infrastructure team.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

2. Basis of accounting

(a) Statement of compliance

The financial statements have been prepared in accordance with the Cash Basis of Accounting of Cambodian Public Sector Accounting Standards (“CPSAS”).

The financial statements are prepared for the information of and use by the management of the Project, the Ministry of Economy and Finance (“MEF”) and the Asian Development Bank (“ADB”). As a result, the financial statements may not be suitable for another purpose.

(b) Basis of measurement

The financial statements expressed in United States Dollars (US\$) have been prepared under the historical cost convention.

3. Significant accounting policies

(a) Fund receipts and payments

Fund receipts are defined as the fund received by the Project from funding agencies. This is recognised when received and recorded as gross amounts of bank charges.

Payments represents all costs paid to support the objective of the Project and are recognised when paid.

(b) Statement of advance account

The statement of advance account is prepared in accordance with the Loan Agreement and is purely used to receive and disburse for expenditure financed by the ADB loan proceeds.

(c) Non-expendable equipment

The cost of non-expendable equipment is charged to the statement of receipts and payments and statement of advance account upon acquisition. For control and management purposes, a memorandum account for non-expendable equipment is maintained by way of a non-expendable equipment listing.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

3. Significant accounting policies (continued)

(d) Foreign currency transactions

The Project transacts its operations and maintains its accounting records primarily in United States Dollars (“US\$”). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates published by the National Bank of Cambodia.

Cash and bank balances in currencies other than US\$ are translated into US\$ at the open market rates of exchange at the year-end date. All foreign exchange differences are recognised in the statement of receipts and payments and the statement of advance account.

(e) In-kind contribution

All in-kind contribution from the RGC to the Project is not accounted for in the statement of receipts and payments and statement of advance account. In-kind contribution is disclosed in the note to the financial statements for information only.

4. Cash

This represents bank balances maintained in separate bank accounts with the National Bank of Cambodia (“NBC”).

Cash includes in the statement of receipts and payments, and statement of advance account comprise the following amounts:

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Advance account – ADB Loan No. 3701	250,609	191,611
Advance account – Government Counterpart Fund	<u>9,230</u>	<u>6,680</u>
	<u>259,839</u>	<u>198,291</u>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

5. Receipts

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
	ADB Loan No. 3701 US\$	RGC US\$	Total US\$	US\$	US\$
ADB					
Initial advance	-	-	-	-	300,000
Direct payments (*)	5,804,310	-	5,804,310	2,762,322	8,736,680
Advance account (**)	217,274	-	217,274	208,120	425,394
	<u>6,021,584</u>	<u>-</u>	<u>6,021,584</u>	<u>2,970,442</u>	<u>9,462,074</u>
RGC					
Initial advance	-	-	-	-	30,000
Advance account (***)	-	23,320	23,320	-	23,320
	<u>-</u>	<u>23,320</u>	<u>23,320</u>	<u>-</u>	<u>53,320</u>
	<u>6,021,584</u>	<u>23,320</u>	<u>6,044,904</u>	<u>2,970,442</u>	<u>9,515,394</u>

(*) Direct payments represent payments made by ADB directly to the suppliers upon request from the Project.

(**) Advance account is prepared in accordance with the Loan Agreement, and is purely used to receive and disburse for expenditure financed by the ADB loan proceeds.

(***) This represents advance received from the RGC.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

6. Civil works

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
	ADB Loan No. 3701 US\$	RGC US\$	Total US\$	US\$	US\$
Direct payment:					
M.T.A. Construction Co., Ltd	<u>5,234,568</u>	<u>-</u>	<u>5,234,568</u>	<u>2,408,769</u>	<u>7,643,337</u>

During the year, there was no advance payment made to contractor (2020: US\$1,059,668). There was no outstanding advance as at 31 December 2021 (31 December 2020: US\$913,130). Refer to Note 12 for details.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

7. Goods and equipment

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
	ADB Loan No. 3701 US\$	RGC US\$	Total US\$	US\$	US\$
Advance account:					
Equipment	4,623	-	4,623	-	4,623
Vehicles	-	-	-	-	52,400
	<u>4,623</u>	<u>-</u>	<u>4,623</u>	<u>-</u>	<u>57,023</u>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

8. Consulting services

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
	ADB Loan No. 3701 US\$	RGC US\$	Total US\$	US\$	US\$
Direct payment:					
Consulting service – Renardet S.A.	569,742	-	569,742	353,553	1,093,343
Advance account:					
Consulting service – Renardet S.A.	84,181	-	84,181	61,583	282,418
Consulting service – Project Accountant	20,700	-	20,700	12,075	32,775
	104,881	-	104,881	73,658	315,193
	674,623	-	674,623	427,211	1,408,536

During the year, there was no advance payment made to contractors (2020: Nil). There was no outstanding advance as at 31 December 2021 (31 December 2020: US\$37,789). Refer to Note 12 for details.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

9. Recurrent costs

	Year ended 31 December 2021			Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
	ADB Loan No. 3701 US\$	RGC US\$	Total US\$	US\$	US\$
Advance account:					
Office running costs	7,308	-	7,308	4,306	14,516
Fuel and travelling cost	36,958	-	36,958	27,314	77,774
Vehicle operation and maintenance	4,506	-	4,506	3,111	10,279
Staff allowance	-	20,760	20,760	23,310	44,070
Miscellaneous	-	10	10	-	20
	<u>48,772</u>	<u>20,770</u>	<u>69,542</u>	<u>58,041</u>	<u>146,659</u>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

10. Statement of disbursement

Details of statement of disbursement from ADB fund were as follows:

		Year ended 31 December 2021	Year ended 31 December 2020	Cumulative period from 25 December 2018 to 31 December 2021
		US\$	US\$	US\$
ADB fund claims during the year				
Initial advance		-	-	300,000
Direct payments		5,804,310	2,762,322	8,736,680
Advance account		217,274	208,120	425,394
Sub-total	(A)	<u>6,021,584</u>	<u>2,970,442</u>	<u>9,462,074</u>
Total payments made during the year				
Payments made out of Government Counterpart fund	(B)	5,983,356	2,894,021	9,255,555
Payments made out of Government Counterpart fund	(C)	(20,770)	(23,310)	(44,090)
Payments during the year but not yet claimed	(D)	(49,391)	(108,389)	(49,391)
Payments in prior year but claimed during the year	(E)	108,389	208,120	-
Initial advance	(F)	-	-	300,000
Total eligible payments claimed (G=A+B+C+D+E+F)	(G)	<u>6,021,584</u>	<u>2,970,442</u>	<u>9,462,074</u>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

11. Payments by category and financier

Particulars	ADB Loan No. 3701 – CAM (COL)		RGC		Total
	US\$	%	US\$	%	US\$
Civil works	5,234,568	100%	-	0%	5,234,568
Goods and equipment	4,623	100%	-	0%	4,623
Consulting services	674,623	100%	-	0%	674,623
Recurrent costs	48,772	100%	20,770	100%	69,542
Total payments – for the year ended 31 December 2021	5,962,586	100%	20,770	100%	5,983,356
Total payments – for the period from 25 December 2018 to 31 December 2021	9,211,465		44,090		9,255,555
Total project costs	30,000,000		890,000		30,890,000
% of total project costs – for the year ended 31 December 2021	19.88%		2.33%		19.37%
% of total project costs – for the period from 25 December 2018 to 31 December 2021	30.70%		4.95%		29.96%

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

12. Advance to contractors

During the year, the Project incurred the following advance transactions:

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$
At beginning of the year	950,919	122,812
Addition for the year (*):		
Civil works	-	1,059,668
Consulting services	-	-
Liquidation:		
Civil works	(913,130)	(146,538)
Consulting services	(37,789)	(85,023)
At end of the year (**)	<u>-</u>	<u>950,919</u>

(*) The advances were recorded as payments in respective payment categories in the statement of receipts and payments upon incurred.

(**) This represents unliquidated advances which maintained by way of an advance register by management for monitoring purpose:

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Civil works (Note 6)	-	913,130
Consulting services (Note 8)	-	37,789
	<u>-</u>	<u>950,919</u>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

13. Statement of withdrawal

Withdrawal application			Category					Total
No.	Date	Currency	Initial advance	Civil works	Good and equipment	Consulting services	Recurrent costs	
Year ended 31 December 2021								
ADB Loan No. 3701 – CAM (COL)								
Replenishment								
BA015	19-Oct-21	US\$	-	-	-	150,477	66,797	217,274
Subtotal (A)			-	-	-	150,477	66,797	217,274
Direct payment								
BA009	2-Mar-21	US\$	-	1,052,639	-	-	-	1,052,639
BA010	5-Apr-21	US\$	-	-	-	151,264	-	151,264
BA011	7-May-21	US\$	-	916,969	-	-	-	916,969
BA012	1-Jun-21	US\$	-	1,122,716	-	-	-	1,122,716
BA013	6-Jul-21	US\$	-	-	-	265,912	-	265,912
BA014	6-Jul-21	US\$	-	1,013,625	-	-	-	1,013,625
BA016	22-Nov-21	US\$	-	-	-	152,566	-	152,566
BA017	26-Nov-21	US\$	-	1,128,619	-	-	-	1,128,619
Subtotal (B)			-	5,234,568	-	569,742	-	5,804,310
Sub-total (A+B)			-	5,234,568	-	720,219	66,797	6,021,584
RGC Fund								
Replenishment								
BB002	30-Mar-21	US\$	-	-	-	-	23,320	23,320
Subtotal (C)			-	-	-	-	23,320	23,320
Grant Total (D) = (A)+(B)+(C)			-	5,234,568	-	720,219	90,117	6,044,904

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued)
for the year ended 31 December 2021

13. Statement of withdrawal (continued)

Withdrawal application			Category					Total
No.	Date	Currency	Initial advance	Civil works	Good and equipment	Consulting services	Recurrent costs	
Year ended 31 December 2020								
ADB Loan No. 3701 – CAM (COL)		US\$	-	2,461,169	-	490,207	19,066	2,970,442
RGC		US\$		-	-	-	-	-
Total			-	2,461,169	-	490,207	19,066	2,970,442
Cumulative period from 24 December 2018 to 31 December 2021								
ADB Loan No. 3701 – CAM (COL)		US\$	300,000	7,643,337	52,400	1,380,474	85,863	9,462,074
RGC		US\$	30,000	-	-	-	23,320	53,320
Total			330,000	7,643,337	52,400	1,380,474	109,183	9,515,394



H.E. Vong Pisith
Project Director
Ministry of Public Works and Transport
Phnom Penh, Kingdom of Cambodia

31 May 2022



Mr. Mao Dor
Finance Specialist
Ministry of Public Works and Transport

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

14. Items not recognised in the statement of receipts and payments

14.1. Income from selling bid documents

During the year, the Project sold bidding documents on behalf of the National Treasury Departments (NTD) and the receipt was transferred to NTD on 19 July 2021 and 10 December 2021 as follow:

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 25 December 2018 to 31 December 2021 US\$
Receipt	1,250	1,400	2,650
Transferred to NTD	<u>(1,250)</u>	<u>(1,400)</u>	<u>(2,650)</u>
	<u>-</u>	<u>-</u>	<u>-</u>

14.2. In-kind contribution

The Project's management has identified and calculated in-kind contribution from the RGC to the Project based on the MEF's guideline as follows:

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$	Cumulative period from 25 December 2018 to 31 December 2021 US\$
Office space	13,152	13,152	39,456
Salaries of project staff	32,520	29,676	91,872
Utilities (electricity and water)	<u>5,803</u>	<u>5,803</u>	<u>17,409</u>
	<u>51,475</u>	<u>48,631</u>	<u>148,737</u>

In addition to the above, tax and duties on counterpart staff salaries has also been identified as in-kind contribution from the RGC to the Project.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Notes to the financial statements (continued) for the year ended 31 December 2021

14. Items not recognised in the statement of receipts and payments (continued)

14.3. Payments commitments

As at 31 December, the Project had the following payments commitments:

	As at 31 December 2021 US\$	As at 31 December 2020 US\$
Contracted, but not yet paid:		
Civil works		
MTA Construction Co., Ltd	2,749,213	4,655,687
Vimeanchey Group Co.,Ltd	1,636,627	-
Kiri Dangrek Construction Co. Ltd and MTA Construction Co. Ltd (JV)	<u>10,504,094</u>	<u>-</u>
	<u>14,889,934</u>	<u>4,655,687</u>
Consulting services		
Renardet S.A.	700,147	1,354,070
Project Account – Leav Sovannmolika	<u>14,825</u>	<u>35,525</u>
	<u>714,972</u>	<u>1,389,595</u>
	<u>15,604,906</u>	<u>6,045,282</u>

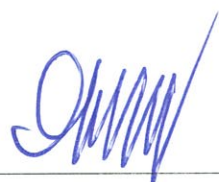
Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Appendix I: Statement of budget versus actual payments for the year ended 31 December 2021

Description	Year ended 31 December 2021				Year ended 31 December 2020				Cumulative period from 25 December 2018 to 31 December 2021			
	Budget	Actual	Variance		Budget	Actual	Variance		Budget	Actual	Variance	
	US\$	US\$	US\$	%	US\$	US\$	US\$	%	US\$	US\$	US\$	%
Civil works	5,386,266	5,234,568	151,698	2.82%	2,472,560	2,408,769	63,791	2.58%	7,858,826	7,643,337	215,488	2.74%
Goods and equipment	5,000	4,623	377	7.54%	-	-	-	-	57,400	57,023	377	0.66%
Consulting services	695,291	674,623	20,668	2.97%	389,955	427,211	(37,256)	(9.55%)	1,412,744	1,408,536	4,208	0.30%
Recurrent costs	80,930	69,542	11,388	14.07%	111,240	58,041	53,199	47.82%	218,985	146,659	72,326	33.03%
Total	6,167,487	5,983,356	184,131	2.99%	2,973,755	2,894,021	79,734	2.68%	9,547,955	9,255,555	292,399	3.06%



H.E. Vong Pisith
Project Director
Ministry of Public Works and Transport



Mr. Mao Dor
Finance Specialist
Ministry of Public Works and Transport

Phnom Penh, Kingdom of Cambodia

31 May 2022

PART II

**Independent Assurance Report on Compliance
with
the Financing Agreement
for the year ended 31 December 2021**



Ministry of Public Works and Transport

Management assertion

I, on behalf of the Project's management of Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project ("the Project") financed under ADB Loan No. 3701 – CAM (COL) ("Financing Agreement"), do hereby state that the Project is, in all material respects, in compliance with the Financing Agreement as stated in the Statement of Compliance for the year ended 31 December 2021, in particular:

- (i) The IPMU has utilised the proceeds of the loan, in all material respect, for the purpose of the Project in accordance with the terms and conditions set out in the Financing Agreement;
- (ii) The Project has complied, in all material respects, with the financial covenant set out in the Financing Agreement;
- (iii) The Advance account procedures, have been operated, in all material respects, in accordance with ADB's Loan Disbursement Handbook;
- (iv) The Project has complied, in all material respects, with the statement of expenditure ("SOE") procedure set out in ADB's Loan Disbursement Handbook. In addition, adequate supporting documentation has been maintained to authenticate claims stated on SOE procedure for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account; and
- (v) The effective internal control, including the procurement process was maintained.

H.E. Vong Pisith
Project Director
Ministry of Public Works and Transport

Phnom Penh, Kingdom of Cambodia

31 May 2022



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INDEPENDENT REASONABLE ASSURANCE REPORT To Ministry of Economy and Finance on Compliance with the Financing Agreement

We refer to the Loan Agreement No. 3701 – CAM (COL) (“the Financing Agreement”), which sets out the requirements for the Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (“the Project”) to comply with the Loan covenant.

Pursuant to the terms and conditions set out in the Financing Agreement, the management of the Project has determined key relevant provisions in which the management believes are important to report and prepared a Statement of Compliance with the Financing Agreement (the “Statement of Compliance”), a copy of which is attached to this independent assurance report.

We were engaged by the Ministry of Economy and Finance (“MEF”) to report on the Project’s compliance with the Financing Agreement for the year ended 31 December 2021 as stated in the Statement of Compliance set out on pages 31 to 34, in the form of an independent reasonable assurance conclusion about whether the Project is, in all material respects, in compliance with the requirements set out in the Financing Agreement.

Our report is intended to provide a conclusion on the following specific matters, established by the terms of the Financing Agreement whether:

- (i) The Project’s funds have been used, in all material respects, for the purposes of the Project in accordance with the terms and conditions set out in the Financing Agreement.
- (ii) The Project has complied, in all material respects, with the covenant of Financing Agreement.

Management’s responsibilities

The management of the Project is responsible for the preparation of the Statement of Compliance that is free from material misstatement and in accordance with those requirements set out by the Financing Agreement and for the information contained therein on pages 31 to 34.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the Statement of Compliance that is free from material misstatement, whether due to fraud or error. It also includes ensuring the Project's compliance with those requirements set out in the Financing Agreement; selecting and applying policies; making judgements and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Statement of Compliance. The management of the Project is also responsible for preventing and detecting fraud and for identifying and ensuring that the Project complies with laws and regulations applicable to its activities. The management is responsible for ensuring that staff involved with the preparation of the Statement of Compliance are properly trained, information systems are properly updated and that any changes in reporting encompass all significant reporting units.

Our responsibilities

Our responsibility is to examine the Statement of Compliance prepared by the management and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with Cambodian International Standard on Assurance Engagements ("CISAE") 3000, Assurance Engagement Other than Audits or Reviews of Historical Financial Information. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether the Statement of Compliance is properly prepared in accordance with the relevant terms and conditions set out in the Financing Agreement, in all material respects.

We apply Cambodian International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Procedures Performed

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Statement of Compliance whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation of the Statement of Compliance, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Project's internal control over the preparation of the Statement of Compliance.

Our engagement also included assessing the appropriateness of the Statement of Compliance, the suitability of the criteria being the terms and conditions specified by the Financing Agreement, used by the Project's management in preparing the Statement of Compliance in the circumstances of the engagement, obtaining an understanding of the compilation of the financial and non-financial information in the Statement of Compliance by enquiry of management, reference to the Financing Agreement and performance of testing on the Project's management assertions on a sample basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the Project is, in all material respects, in compliance with the requirements of the Financing Agreement for the year ended 31 December 2021, in particular the following assertions by management of the Project as stated in the Statement of Compliance, are properly represented:

- (i) The Project's funds have been used, in all material respects, for the purposes of the Project in accordance with the terms and conditions set out in the Financing Agreement.
- (ii) The Project has complied, in all material respects, with the covenant of Financing Agreement.

Restriction on Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party other than the Project, MEF and ADB for any purpose or in any context. Any party other than the Project, MEF and ADB who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

We accept or assume no responsibility and deny any liability to any party other than the Project, MEF and ADB for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the Project, MEF and ADB on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

For KPMG Cambodia Ltd

Lim Chew Teng
Partner

Phnom Penh, Kingdom of Cambodia

31 May 2022

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of compliance with the financing agreement for the year ended 31 December 2021

1. Criteria

This Statement of Compliance is prepared in accordance with the criteria determined by the ADB in accordance with the Loan Agreement No. 3701 – CAM (COL) (“the Financing Agreement”), which sets out the requirements for the Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (“the Project”) to comply with and is prepared by the Project’s management based on the key relevant provisions in which the management believes are important to report on and is not intended to cover the complete set of the Financing Agreement taken as a whole. These criteria are described below. The management has assessed its compliance with the relevant requirements and included the results of its assessment below.

Section No.	Description	Management’s assertions
Article III Use of Proceeds of the Loan		
3.01	The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures on the Project in accordance with the provisions of the Financing Agreement.	Yes, complied with.
3.02	The proceeds of the funds shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule 3 (See Appendix) may be amended from time to time by agreement between the Borrower and ADB.	Yes, complied with.
3.03	Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 (See Appendix) of the Financing Agreement.	Yes, complied with.
Article IV Particular Covenants		
4.02	(a) The Borrower shall: <ul style="list-style-type: none"> (i) Maintain separate accounts and records for the Projects; (ii) prepare annual financial statements for the Project in accordance with generally accepted accounting principles acceptable to ADB; 	(a) <ul style="list-style-type: none"> (i) Yes, complied with. (ii) The Project prepared financial statements in accordance with a Cash Basis of Accounting of Cambodian Public Sector Accounting Standards (“CPSAS”).

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of compliance with the financing agreement (continued) for the year ended 31 December 2021

1. Criteria (continued)

Section No.	Description	Management's assertions
Article IV Particular Covenants (continued)		
4.02	<p>(iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with International Standards for auditing or the national equivalent acceptable to ADB; in accordance with international standards for auditing or the national equivalent acceptable to ADB;</p> <p>(iv) as part of each such audit, have the auditor prepare a report which includes the auditor's opinions on the financial statements and the use of the Loan proceed, and a management letter (which set out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any);</p> <p>(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 English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.</p> <p>(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.</p> <p>(c) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorise and require any representative of such auditors to participate in any such discussion requested by ADB. This is provided that such discussion shall be conducted only in the presence of an authorised officer of the Borrower unless the Borrower shall otherwise agree.</p>	<p>(iii) Financial statements are audited by KPMG Cambodia Ltd.</p> <p>(iv) Yes, complied with.</p> <p>(v) Yes, complied with. The 2020 audited financial statements were issued by Auditor on 31 May 2021 and submitted to ADB on 9 June 2021.</p> <p>(b) Yes, complied with. The 2020 financial statement were posted to ADB's website on 9 June 2021.</p> <p>(c) Yes, complied with.</p>

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of compliance with the financing agreement (continued) for the year ended 31 December 2021

1. Criteria (continued)

Section No.	Description	Management's assertions
Article IV Particular Covenants (continued)		
4.03	The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.	Yes, complied with.

2. Appendix to the Statement of Compliance

Schedule No.	Description
Schedule 3: Allocation and Withdrawal of Loan Proceeds	
2	The proceeds of the Loan shall be allocated to items of expenditure and disbursed on the basis of the withdrawal percentage for each item of expenditures set forth in the table.
3	The amount allocated to category "Interest charge" is for financing the interest charge on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest charge.
5	The Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.
Schedule 4: Procurement of Goods, Works and Consulting services	
1	The procurement of Goods, Works, and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.
4	Goods and Works shall only be procured on the basis of the methods of procurement set forth below: (a) International Competitive Bidding; (b) National Competitive Bidding; and (c) Shopping.

Ministry of Public Works and Transport

Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project

ADB Loan No. 3701 – CAM (COL)

Statement of compliance with the financing agreement (continued) for the year ended 31 December 2021

2. Appendix to the Statement of Compliance (continued)

Schedule No.	Description
Schedule 4: Procurement of Goods, Works and Consulting services (continued)	
7	The Borrower shall not award any Works contract involving involuntary resettlement impacts until the Borrower has prepared and submitted to ADB the final resettlement plan ("RP") based on the Project's detailed design and obtained ADB's clearance of such RP.
8	The Borrower shall apply Quality- and Cost-Based Selection for selecting and engaging Consulting Services.
10 (a)	The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.
10 (b)	The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters.
11	The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the Consulting Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.