

Cover Page for Project/Program Approval Request			
1. <b>Country/Region:</b>	Cambodia / Southeast Asia	2. <b>CIF Project ID#:</b>	XPCRKH015A
3. <b>Source of Funding:</b>	<input type="checkbox"/> FIP	<input checked="" type="checkbox"/> PPCR	<input type="checkbox"/> SREP
4. <b>Project/Program Title:</b>	<i>Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project</i>		
5. <b>Type of CIF Investment:</b>	<input checked="" type="checkbox"/> Public	<input type="checkbox"/> Private	<input type="checkbox"/> Mixed
6. <b>Funding Request in million USD equivalent:</b>	Grant: \$5.00 million		Non-Grant: \$5.00 million
7. <b>Implementing MDB(s):</b>	Asian Development Bank		
8. <b>National Implementing Agency:</b>	Executing Agency: Ministry of Public Works and Transport, Implementing agencies: Provincial Department of Public Works and Transport (PDPWT) and Municipal Governments in Kampong Chhnang and Pursat		
9. <b>MDB Focal Point and Project/Program Task Team Leader (TTL):</b>	<b>Headquarters- Focal Point:</b>  Cinzia Losenno Senior Environment Specialist (Climate Change Adaptation), Regional and Sustainable Development Department +63 2 632 4996 <a href="mailto:cloosenno@adb.org">cloosenno@adb.org</a>		<b>TTL:</b>  Anupma Jain, Senior Social Sector Specialist, Southeast Asia Department +63 2 632 6360 <a href="mailto:ajain@adb.org">ajain@adb.org</a>
10. <b>Project/Program Description (including objectives and expected outcomes):</b>			
<p>The Royal Government of Cambodia (RGC) seeks approval of \$5 million in grant resources and \$5 million in loan resources from the Strategic Climate Fund under the Pilot Program for Climate Resilience (PPCR) for the <i>Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project (the project)</i>.<sup>1</sup></p>			

<sup>1</sup> This is Project 3 of Component 3 of the revised Cambodia Strategic Program for Climate Resilience, which was approved by the PPCR Sub Committee on 11 February 2014.

The original scope of Component III — Climate Proofing of Infrastructure, Project 3: Flood-resilient infrastructure development in Sisopohon, Siem Riep, Kampong Thom, Battambang, Pursat and Kampong Chhnang was envisioned as part of the project on *Sustainable Urban Development in the Tonle Sap Basin Project*. Since then, the proposed project has been renamed to the current name and the project area has been focused to provide infrastructure financing for the two provinces of Kampong Chhnang and Pursat.

The project will contribute to increased economic activities and environmental protection in towns in the Tonle Sap Basin. It responds to the need of the municipal governments for integrated urban environmental management in urban areas around the Tonle Sap Lake. The project will improve urban services and enhance climate change resilience in Kampong Chhnang and Pursat municipalities through urban area environmental improvements; community mobilization and environmental improvements; strengthened sector coordination and operations; and strengthened capacity for project implementation, and operations and maintenance (O&M).<sup>2</sup> The project is aligned and consistent with the Tonle Sap Urban Areas Development Framework (TSUADF) and Kampong Chhnang and Pursat urban development strategies to 2030.<sup>3</sup> The project also is in line with the government's development strategies, including the Cambodia Climate Change Strategic Plan 2014–2023, and the National Adaptation Programme of Action for Climate Change.

The impact of the proposed Project will be increased economic activities and environmental protection in towns around the Tonle Sap Basin. The outcome of the project will be improved urban services and enhanced climate change resilience in Kampong Chhnang and Pursat municipalities. The project will enhance the urban environment, improve public health, and contribute to better quality, coverage and reliability of services to more than 100,000 residents in the municipalities of Kampong Chhnang and Pursat. This will be achieved through an integrated program of physical and non-physical investments. The project incorporates climate resilience measures in infrastructure development, with support from the PPCR.<sup>4</sup>

The project includes five outputs that demonstrate the importance of having an integrated program of physical and non-physical investments, summarized below. Details are available in the Reports and Recommendation of the President (RRP) and the Project Administration Manual (PAM).

**Output 1: Kampong Chhnang urban area environmental improvements:** Urban environment in Kampong Chhnang is improved and includes flood protection extending to 15.1 km along Tonle Sap riverbank through improvement of existing embankment and construction of new embankment where required; construction of a new controlled landfill site of 10 ha at Phnum Touch (Pong Gnro village, Pong Gnro commune, Rolea Bhiea District) with increased capacity; provision of equipment for solid waste collection; and landfill management, including closure of two old open dump sites (Sntouch village, Sre Thmey commune and Kol Kup village, Srei Tmei Commune).

**Output 2: Pursat urban area environmental improvements** Urban environment in Pursat is improved and climate resilience enhanced by measures that include construction of about 9.9 km of primary and secondary drains in the town center with associated road improvements and improved wastewater treatment; riverbank erosion protection in select locations along the Pursat River, including revetment and groynes; development of new controlled landfill of about 28 ha at Toul Makak Keut village (Roleap Sangkat); provision of equipment for solid waste collection; and landfill management, including equipment and closure of two old open dumpsites in Toul Makak Lech village (Roleap Sangkat) and Sreah Srang village (Prey Ngi Sangkat).

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<sup>2</sup> The Asian Development Bank (ADB) provided project preparatory technical assistance. ADB. 2011. *Technical*

**Output 3: Community mobilization and environmental improvements.** Communities are mobilized to improve urban environment through this output, which aims to address the climate change and environmental needs of the urban poor and vulnerable, including ethnic Cham and Vietnamese in Kampong Chhnang and Pursat—making the project more inclusive. It includes improved household sanitation for IDPoor 1 and 2 in the current municipality area; climate change and hygiene awareness and action; and community small-scale infrastructure improvements in pre-identified poor and vulnerable areas in each municipality.<sup>5</sup>

**Output 4: Strengthened sector coordination and operations** support the Ministry of Public Works and Transport (MPWT) to convene national urban development task force meetings; strengthen climate change regulations to enhance climate resilience focusing on improved building codes in provincial towns around the Tonle Sap, including appropriate sanitation; and support the establishment of pilot urban service units (USUs) for improved delivery and management of decentralized urban services. Climate change resilience financing will support the Government implement the TSUADF around the Tonle Sap by developing a consultation program and a plan for climate change adaptation in urban areas.

**Output 5: Strengthened Capacity for Project Implementation and O&M** will include project implementation support services for the project management and implementation units in design and supervision, safeguards implementation and monitoring, gender and community development, climate change, accounting and financial management, procurement, and disbursement. It will include skills enhancement and on-the-job training for project staff in urban planning and development, solid waste collection and landfill management, and operation and maintenance. Project implementation support services will review and expand existing stormwater drainage and flood mitigation strategies, SWM strategies, and disaster risk management strategies. The project implementation support services will also include assistance in preparing project progress reports, semi-annual safeguards monitoring reports, and monitoring reports in accordance with pilot program for climate resilience (PPCR) results framework and the guidance provided in the PPCR monitoring and reporting toolkit.

## 11. Consistency with Investment Criteria:

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*Assistance to the Kingdom of Cambodia for Preparing the Integrated Urban Environmental Management in the Tonle Sap Basin Project.* Manila. (TA 7986-CAM, \$700,000, approved on 13 December 2011).

<sup>3</sup> An inter-ministerial prakas for the TSUADF is pending. Urban strategies approved on 31 July 2014 (MPWT Letter No. 009 PMU/MPWT/IEUMTB/14/30 July 2014 for Kampong Chhnang and No. 008 PMU/MPWT/IUEMTB/14/30 July 2014 for Pursat).

<sup>4</sup> It is a targeted program of the Strategic Climate Fund, which is one of two funds within the framework of the Climate Investment Fund. PPCR programs are country-led and build on NAPAs and other development plans.

<sup>5</sup> The Identification of Poor Households Program in Cambodia (ID Poor) is a nationwide targeting means for the poor based on poverty levels and poverty rates in different areas. It is led by the Ministry of Planning (MOP) in collaboration with the Department of Local Administration (DOLA) of the Ministry of Interior. The program is implemented with funding by the Federal Republic of Germany, the European Union, Australian Government Department of Foreign Affairs and Trade, UNICEF, and the Royal Government of Cambodia, with technical assistance provided and coordinated by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The project will use this program in supporting community initiatives, specifically in financing household toilets for the poor that fall below the poverty line. Ministry of Planning identified 2,133 and 3,456 poor households in KCH and PST, respectively.

The Royal Government of Cambodia (RGC) is one of the pilot countries participating in the Pilot Program for Climate Resilience (PPCR). In June 2011, the PPCR sub-committee endorsed RGC's Strategic Program for Climate Resilience (SPCR) and in August 2011 reconfirmed its commitment for funding envelope of up to \$86 million (\$50 million in grants and up to \$36 million in concessional credit). Of this, an allocation of \$10 million (\$5 million concessional credit and \$5 million grant) was agreed for the *Integrated Urban Environmental Management in the Tonle Sap Basin Project* (the Project or IUENTSP). The RGC did not avail of the approved \$600,000 of the \$5 million grant for project preparations and preferred that it be included in the grant funding envelop of the project.

In November 2013, the RGC and the Asian Development Bank (ADB) submitted a revised SPCR for endorsement, which reflected the evolving situation and project design of the proposed project. The revision was endorsed by the sub-committee on 28 January 2014.

The project is consistent with the PPCR Investment Criteria, as (i) the project pilots and demonstrates approaches for integration of climate risk and resilience into development policies and planning; (ii) strengthens capacities at the national levels to integrate climate resilience into development planning; (iii) scales up and leverages climate resilient investment, building on other ongoing initiatives; and (iv) enables learning-by-doing and sharing of lessons at country, regional and global levels, as explained in the following section.

The Tonle Sap Urban Areas Development Framework (TSUADF) provides the rationale for the project. It is an overall planning document, agreed to with the six provinces around the Tonle Sap, which integrates the importance of climate risk and resilience into a single urban planning document. The project selects two municipalities (Kampong Chhnang and Pursat) to demonstrate the importance of mainstreaming adaptation concerns into urban infrastructure planning and enhancing climate resilience of urban areas by strengthening riverbanks, solid waste disposal and other sanitation systems, to minimize the impacts of floods. Town development strategies for Kampong Chhnang and Pursat, both approved by respective provincial governments, further demonstrate integration of climate risk and resilience in urban planning and development at the town level. The project further aims to pilot and demonstrate an approach for delivering improved and sustainable urban services through the establishment and functioning of USUs.

The project strengthens capacities at the national levels to integrate climate resilience into development planning. The project will contribute to strengthening the capacity of the government and affected communities to reduce the risks associated with climate extremes, namely flood and drought events. It has been applied for investments that are in accordance with the environmental and urban development needs (including climate change assessment) completed during project preparation for the Tonle Sap (i.e., TSUADF) and individual town urban development strategies for Pursat and Kampong Chhnang.

The TSUADF is a mechanism through which the six provincial governments around the Tonle Sap can continue their dialogue on climate resilience in urban planning. The project, specifically output 4, supports implementation of the framework, including activities that emerged from its development. For instance, a revision of building codes to incorporate appropriate climate resilient household sanitation designs and the development of a Plan for Climate Change Adaptation in Urban Areas. This will be coordinated with other initiatives, supported by PPCR, in the Ministry of Public Works and Transport (MPWT) and Ministry of Environment (MOE). The project, specifically output 5, includes project implementation support services that will assist MPWT in preparing project progress reports, semi-annual safeguards monitoring reports, and monitoring reports in accordance with PPCR results framework and the guidance provided in the PPCR monitoring and reporting toolkit.

The project scales up and leverages climate resilient investment, building on other ongoing initiatives. The project will coordinate closely with the ongoing technical assistance (TA) Mainstreaming Climate Resilience into Development Planning. The project incorporated experience from recently approved project in urban development: (i) the GMS Southern Economic Corridor Towns Development Project; and (ii) the Cambodia Provincial Roads Improvement Project. Output 2 complements the GMS Flood and Drought Risk Management and Mitigation Project, which provides support to the Dhamnak Chheukrom Irrigation System Rehabilitation (located about 40 km upstream from the main town center). Development of the proposed Plan for Climate Change Adaptation in Urban Areas around the Tonle Sap will complement MPWT's existing plan on the transport sector (MPWT. 2012. *National Strategic Plan for Climate Change Adaptation and Greenhouse Gas Mitigation in Transport Sector*. Phnom Penh).<sup>6</sup>

The project enables learning-by-doing and sharing of lessons at country, regional and global levels. The project will provide annual monitoring reports in accordance with PPCR results framework and the guidance provided in the PPCR monitoring and reporting toolkit. It has coordinated with the TA on Mainstreaming Climate Resilience into Development Planning during project preparation and will continue coordination during project implementation. The project also supports the transfer of knowledge and expertise to different stakeholders on climate change awareness and importance for integrating climate resilience into urban planning and development. Output 3 will work with a non-governmental organization (NGO) in building knowledge at the local and community levels. Output 4 will support MPWT convene semi-annual national urban development task force meetings, whereby lessons and experiences may be shared amongst other government agencies and development partners. Output 4 also supports the establishment and strengthening of USUs, which strengthen the capacity of local authorities (provincial departments of public works and transport and municipal governments in Kampong Chhnang and Pursat) in delivering quality and sustainable urban services.

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<sup>6</sup> GMS Flood and Drought Risk Management and Mitigation Project (<http://www.adb.org/sites/default/files/40190-013-cam-oth-02.pdf>); the GMS Southern Economic Corridor Towns Development Project (<http://www.adb.org/sites/default/files/43319-033-cam-oth-01.pdf>); the Cambodia Provincial Roads Improvement Project (<http://www.adb.org/sites/default/files/linked-docs/43309-013-cam-oth-02.pdf>); and the technical assistance for Mainstreaming Climate Resilience into Development Planning (<http://www.adb.org/sites/default/files/projdocs/2013/45283-001-cam-tar.pdf>)

## **12. Stakeholder engagement:**

The Project was prepared in consultation with local communities and civil society organizations, including water user committees and NGOs. During project preparation, the consultant team worked with the local government and local community organizations in identifying the optimal alignment for the river embankment / flood protection component in Kampong Chhnang. The ADB project processing team consulted with NGOs and sought feedback on the design of Output 3 (Community Mobilization and Environmental Improvements) and the terms of reference for the implementing NGO. The Project will rely on the continued participation by local communities in Kampong Chhnang and Pursat for their active participation and partnership during project implementation. Output 3 also reflects the specific needs of the local communities, especially the urban poor and vulnerable. The output is a community-driven component that will be implemented through an international NGO. The project area is focused on flood-prone areas in Kampong Chhnang and Pursat. It includes support for improved household sanitation in flood-prone areas, community-driven small-scale infrastructure improvements, and climate change and hygiene promotion. PPCR's support for a portion of this output will enable the RGC to address the needs of urban poor and vulnerable, especially the Cham and floating communities in Kampong Chhnang. It supports small-scale community-driven activities, including household toilets, for which the RGC would be unwilling to borrow. Details are available in RRP and PAM. A stakeholder consultation and participation plan is also provided in the RRP, Appendix 2, linked document 23.

The Project will explore the role of private sector participation during project implementation. The MPWT (also the executing agency) has indicated its preference for public urban service units USUs to lead in the development, O&M of urban infrastructure and in the delivery of sustainable urban services. This would require a different approach to private sector participation, where a portion of O&M or service delivery may be contracted out. A specialist on private sector participation will be recruited during project implementation to explore these options further. Details are available in RRP and PAM. An urban institutional analysis describing the role of USUs is provided in the RRP, Appendix 2, linked document 32.

## **13. Gender considerations:**

The Project is classified as effective gender mainstreaming (EGM).<sup>7</sup> A project gender action plan has been developed based on a gender analysis and consultations with the Ministry of Public Works and Transport (MPWT) and Ministry of Women's Affairs (MOWA) in Phnom Penh and in the participating project provinces.

A Gender Action Plan (GAP) has been prepared in accordance with ADB's Policy on Gender and Development (1998), ADB Operations Manual Section C2/BP (2010) Gender and Development in ADB Operations, and the RGC's goal to strengthen the role and social status of women through capacity building for women in all sectors, changing discriminatory social attitudes, and safeguarding women's rights to actively and equally participate in nation building.<sup>8</sup> The GAP includes specific gender actions to help ensure men and women actively participate in project activities, receive project information, and have access to opportunities during project implementation.

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<sup>7</sup> A project is assigned EGM if the project outcome is not gender equality or women's empowerment, but project outputs are designed to directly improve women's access to social services, and/or economic and financial resources and opportunities, and/or basic rural and urban infrastructure, and/or enhancing voices and rights, which

A number of key gender challenges in urban environmental improvements were identified during project preparation in Kampong Chhnang and Pursat. Flood events and inefficient waste management often disproportionately impact women, as they are usually the ones who remain at home to care for family members during prolonged periods of flood and are given the primary responsibility for maintaining the home environment. The Project includes outputs that aim to enhance urban infrastructure and develop capacity. Project activities will significantly improve the quality of life of women by directly addressing their flood and waste management issues in the project areas (e.g., menstrual hygiene management). The Project also includes measures to ensure that women are informed and actively participate in project activities. These measures will facilitate the sharing of information and will assist to empower women that are in decision making positions.

The gender action plan reflects current situations and needs of men and women in Kampong Chhnang and Pursat. Project gender actions are strategic and practical. Some actions aim at increasing women's roles in project planning and development, and others at increasing women's participation in project management and implementation units. The Project will explore new areas of gender research and action (Outputs 3 and 4), which have received limited attention in previous urban environmental improvement projects (e.g., menstrual hygiene management in flood-prone areas). A national gender and development specialist will be recruited to help monitor the gender action plan. The NGO that will be recruited to work with the communities in Output 3 is required to demonstrate that at least 30% of their NGO outreach staff includes women employees.

Details are available in RRP and PAM. A gender action plan is provided in the RRP, Appendix 2, linked document 12 and poverty and social analysis is in RRP, Appendix 2, linked document 22.

#### 14. Indicators and Targets (consistent with results framework):

Core Indicator	Target
<b>INDICATOR A1.3:</b> Numbers of people supported by the PPCR to cope with effects of climate change	<p>Estimated 20,000 households (90,000 persons) have access to climate resilient infrastructure (baseline: 0) resulting from the following outputs:</p> <ul style="list-style-type: none"> <li>• At least 15.1 km of embankment and road improved and constructed to a 1:50 year flood levels in Kampong Chhnang;</li> <li>• At least 9.89 km of drains are improved and extended in Pursat;</li> <li>• A landfill is developed in Pursat and in Kampong Chhnang, and household collection efficiency increased to at least 60%;</li> <li>• At least 1.5 ha of the existing wastewater stabilization pond facility (anaerobic and facultative ponds) is rehabilitated in Pursat;</li> <li>• At least 200 mm of riverbank on the Pursat river is reinforced;</li> <li>• Approximately 8 gabion groynes are constructed on the Pursat river in two locations at 30 m intervals;</li> </ul>

contribute to gender equality and women's empowerment (Source: <http://www.adb.org/sites/default/files/40190-013-cam-oth-02.pdf>, footnote 1).

<sup>8</sup> RGC. Ministry of Planning. National Institute of Statistics. 2011. *Women and Men in Cambodia*. Phnom Penh.



	<ul style="list-style-type: none"> <li>• At least 5,200 ID poor 1 and 2 households in Kampong Chhnang and Pursat have pour-flush toilets; and</li> <li>• At least 2,000 poor and vulnerable households benefit from community driven climate resilience infrastructure in Kampong Chhnang and Pursat.</li> </ul>
<b>INDICATOR A2.1:</b> Degree of integration of climate change in national, including sector planning	<ul style="list-style-type: none"> <li>• A Plan for Climate Change Adaptation in Urban Areas around the Tonle Sap is adopted by Tonle Sap provinces;</li> <li>• A capacity development program is adopted by each municipality;</li> <li>• Revised building codes with refined latrine standards are developed and adopted by Tonle Sap provinces;</li> <li>• MPWT chairs at least two coordination meetings per year;</li> <li>• Semi-autonomous urban service units in Kampong Chhnang and Pursat municipalities are established and become operational (30% of staff are women);</li> <li>• Development of sub-regional Tonle Sap Urban Areas Development Framework;</li> <li>• Support to MPWT to convene national urban development task force meetings with other ministries and development partners in the urban sector (about twice per year), which would include topics of climate change resilience;</li> <li>• Initial support for establishment of urban service units (or special operating agencies) for improved delivery and management of decentralized urban services;</li> <li>• Implementation of the Tonle Sap Urban Areas Development Framework in partnership with provincial and municipal governments around the Tonle Sap through a consultation program and a plan for climate change adaptation in urban areas; and</li> <li>• Water-related cross-cutting issues such as solid waste management, wastewater management and flood risk management incorporated into O&amp;M plans.</li> </ul>
<b>INDICATOR B1:</b> Extent to which vulnerable households, communities businesses and public sector services use improved PPCR supported tools, instruments, strategies, activities to respond to Climate Variability and Climate Change	<ul style="list-style-type: none"> <li>• Implementation of the capacity development plan in all aspects of climate resilient project design and implementation, including monitoring and evaluation, extending to all municipalities;</li> <li>• Enhanced climate change and hygiene awareness and action;</li> <li>• Improved household sanitation for ID Poor 1 and</li> </ul>



	<p>2 in the current municipality area of Kampong Chhnang and Pursat;</p> <ul style="list-style-type: none"> <li>• Improved building codes in provincial towns around the Tonle Sap to reflect key climate resilience features, including appropriate sanitation; and</li> <li>• Implementation of the Tone Sap Urban Areas Development Framework in partnership with provincial and municipal governments around the Tonle Sap through a consultation program and a plan for climate change adaptation in urban areas.</li> </ul>
<p><b>INDICATOR B2:</b> Evidence of strengthened government capacity and coordination mechanism to mainstream climate resilience</p>	<ul style="list-style-type: none"> <li>• Support to MPWT to convene national urban development task force meetings with other ministries and development partners in the urban sector (about twice per year), which would include topics of climate change resilience;</li> <li>• Initial support for establishment of urban service units (or special operating agencies) for improved delivery and management of decentralized urban services; and</li> <li>• Implementation of the Tone Sap Urban Areas Development Framework in partnership with provincial and municipal governments around the Tonle Sap through a consultation program and a plan for climate change adaptation in urban areas.</li> </ul>
<p><b>INDICATOR B5:</b> Quality of and extent to which climate responsive instruments/ investment models are developed and tested</p>	<ul style="list-style-type: none"> <li>• Community small-scale infrastructure improvements in pre-identified poor and vulnerable areas in each municipality designed and implemented;</li> <li>• Potential impacts of climate change and/or natural hazards on the project identified and integrated as part of project design (e.g., flood risk management).</li> <li>• Develop and dissemination of a number of knowledge products including: integrated urban environmental O&amp;M manuals, standard operating procedures for community small-scale infrastructure environmental improvements, development of a plan for climate change adaptation in urban areas, and review and expansion of existing strategies (e.g., flood mitigation, stormwater drainage, solid waste management, and disaster risk management).</li> </ul>

Development Indicator(s):	<ul style="list-style-type: none"><li>Quarterly progress reports and audit reports are submitted on time and of satisfactory quality.</li><li>Project implemented on time and within the budget</li></ul>	
15. Co-Financing:		
	Amount (in USD million):	Type of contribution:
<ul style="list-style-type: none"><li>Government</li></ul>	5.4	Cash and in-kind
<ul style="list-style-type: none"><li>MDB</li></ul>	37.0	Loan
<ul style="list-style-type: none"><li>Private Sector (please specify)</li></ul>	Not applicable	Not applicable
<ul style="list-style-type: none"><li>Bilateral (please specify)</li></ul>	Not applicable	Not applicable
<ul style="list-style-type: none"><li>Others (Communities)</li></ul>	0.2	Cash
<b>Co-Financing Total:</b>	<b>42.6</b>	
16. Expected Board/MDB Management approval date:		
Expected Management approval date (Second Staff Review Meeting): 30 September 2014		
Expected Loan and Grant Negotiations date: October 2014		
Expected Board approval date: December 2014		
Expected Mid-Term review date: Q2–Q3, 2018		
Expected Project closure (or financial closure date): 31 March 2022		