

Cambodia : National Restoration of Rural Productive Capacity Project

1. Project Information

Project ID:	P000446	Instrument ID:	L0446A
Member:	Cambodia	Region:	South-Eastern Asia
Sector:	Economic Resilience/PBF	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:60.00 USD million <input type="checkbox"/> Guarantee	Co-financier(s):	
ES category:	B	Borrowing Entity:	Ministry of Economy and Finance, Cambodia
Implementing Entity:	Ministry of Rural Development		
Project Team Leader:	Wanli Fang		
Project Team Members:	Christopher Damandl, Project Counsel; Bernardita Saez, Alternate Counsel; Shodi Nazarov, OSD - Financial Management Specialist; Susrutha Goonasekera, OSD - Social Development Specialist; Bo Zhang, Team Member; Yang Shuai, OSD - Environment Specialist; Benedetta Magnaghi, OSD - Procurement Specialist;		
Completed Site Visits by AIIB:	May, 2021 Virtual meeting with the PMU on Project Delivery Strategy and work plan for 2021. Oct, 2021 Virtual meeting with the PMU on preparation of TORs and bidding documents. Mar, 2022 Quarterly virtual project review meeting with PMU		
Planned Site Visits by AIIB:	None due to COVID-19 pandemic		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/09		

2. Project Summary and Objectives

The Project Objective is to sustain the rural economy and livelihood of vulnerable rural population and returning migrants affected by the COVID-19 pandemic. Investment activities include upgrading of about 235 km existing rural roads and retrofitting and new construction of 150 community ponds with associated water supply, sanitation and hygiene facilities.

The Project is proposed under the Bank's COVID-19 Crisis Recovery Facility. The Project objective will be achieved by maintaining and accelerating rural infrastructure spending; creating short term employment and income generation; building capacity of local labor and national contractors to ensure quality infrastructure delivery building on the national standards established with the development partners; establishing foundations for learning and knowledge sharing among key project stakeholders to scale up rural infrastructure and rural basic services delivery in future programs. The Project will also support the Government's communications effort to (i) enhance awareness of targeted rural population about social distancing and hygiene to help contain the spread of the current pandemic; and (ii) build their preparedness and resilience during COVID-19 and beyond.

3. Key Dates

Approval:	Dec. 10, 2020	Signing:	Dec. 28, 2020
Effective:	Feb. 16, 2021	Restructured (if any):	
Orig. Closing:	Dec. 31, 2023	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	5.00	Most recent disbursement (amount/date):	5.00/Aug. 25, 2021
Undisbursed:	55.00	Disbursement Ratio (%) ¹ :	8.33

5. Project Implementation Update

The project has made progress in implementation. The quarterly progress report for 2021Q4 was prepared and submitted to AIIB in February 2022. Project Operations Manual and Financial Management Manual were finalized and cleared by AIIB in November 2021. Draft Environmental and Social Management Planning Framework (ESMPF) is still under preparation, draft Resettlement Planning Framework (PRF) and Indigenous Peoples Planning Framework (IPPF) have been submitted for AIIB's review and are to be finalized soon. Procurement plan was updated and cleared by AIIB in November 2021 to reflect repackaging of consulting service activities and addition of individual consultants. The latest procurement plan includes 6 contracts of goods (2 were awarded and the rest are under bidding process), 12 contracts of civil works (2 are under bidding process, which are the first batch of rural roads and community ponds), 3 contracts for consulting service by firms (all in advanced stage of bidding process) and 12 individual consultants (10 were hired and 2 more for gender and social safeguards are to be hired). No civil works have started yet. A Project Performance Monitoring System was developed to provide weighted physical progress and data have been updated quarterly.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component A – Investing in Rural Economic Development (USD 63.50 million, of which AIIB financing: USD 56.00 million): This component aimed at generating local short-term jobs under the construction contracts for rural roads and water and sanitation financed by the Project and the	7.7% (Detailed engineering designs prepared for the first batch of rural roads and community ponds)	Draft ESMPF is still under preparation, draft PRF and IPPF have been submitted for AIIB's review and are to be finalized soon. The PMU has completed the preparation of the Environmental Screening Assessment Checklist (ESAC), the Environmental Code of Practice (ECOP), a generic format for the Environmental Management Plan (EMP) and the structure of the Grievance Redress Mechanism (GRM).	Project Delivery Strategy has been approved and General Procurement Notice (GPN) was issued. Procurement plan was updated and approved by AIIB in November 2021.

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

ensuing operation and maintenance tasks. These short-term jobs will be targeted to the vulnerable group in project areas, including jobless returning migrants negatively affected by the COVID-19 pandemic			
Component B -- Strengthening capacity development and Project Management Support (USD 4.00 million of which AIIB financing: USD 4.00 million):	11.8 %	Not Applicable	10 Individual consultants to support PMU have been recruited and two more to be hired soon. Three contracts for consulting firms that prepare DEDs and conduct construction supervision are to be awarded.

Financial Management:

A financial management system has been agreed and setup based on Government's issued SOP Financial Management and endorsed by the development partners including AIIB.

Designated account has been set up and the first disbursement of USD 5 million as an advance was made on August 25, 2021.

Annual work plan with budgets have been prepared and submitted to MEF for approval and will be shared with AIIB once approved.

The project reported quarterly financial progress together with the Progress Report. The Client was informed that a separate quarterly Interim Unaudited Financial Report (IUFR) must be prepared starting from 1Q2022 and the deadline for its submission is on May 15, 2022. AIIB team shared a template of the IUFR on March 17, 2022.

6. Status of the Grievance Redress Mechanism (GRM)

The structure of the GRM has been agreed on and is being established. It is expected to be in place before the commencement of civil works in 2022.

7. Results Monitoring

Civil works have not started in year 2021.

Project Objective Indicators #1

Increased employment benefits income generation and capacity development of the vulnerable group of the rural population affected by the COVID-19 outbreak living in the Project areas (number of people)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	10,000	0	
Dec. 31, 2022	25,000	N/A	
Dec. 31, 2023	50,000	N/A	

Project Objective Indicators #2

Capacity building of national contractors in quality rural infrastructure delivery and basic rural services delivery, including COVID-19 precaution measures (number of contractors)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	5	0	
Dec. 31, 2022	15	N/A	
Dec. 31, 2023	25	N/A	

Project Objective Indicators #3

Facilities with improved access: a. Economic; b. Health; c. Social (number of facilities)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	20	0	Number of markets (10) Number of health centers (5) Number of Schools (5)
Dec. 31, 2022	60	N/A	Number of markets (30) Number of health centers (15) Number of Schools (15)
Dec. 31, 2023	100	N/A	Number of markets (50) Number of health centers (25) Number of Schools (25)

Project Objective Indicators #4

Improved access to WASH services, especially hand-washing measures as primary COVID-19 mitigation (number of people)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	25,000	0	
Dec. 31, 2022	75,000	N/A	
Dec. 31, 2023	150,000	N/A	

Intermediate Result Indicators #1

Rural roads upgraded with climate resilience measures (kilometre)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	35	0	
Dec. 31, 2022	135	N/A	
Dec. 31, 2023	235	N/A	

Intermediate Result Indicators #2

Water Supply Sanitation and Hygiene services (number of villages)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	25	0	
Dec. 31, 2022	75	N/A	
Dec. 31, 2023	150	N/A	

Remarks:

Civil works have not started in 2021.
