

Environmental Assessment and Review Framework

Project Number: P41392

March 2016

**Cambodia: Decentralized Public Service and
Financial Management Sector Development
Project, Subprogram 2:
Sub-National Investment Fund (SNIF)**

CURRENCY EQUIVALENTS

(as of 9 March 2016)

Currency unit	–	riel (KR)
KR1.00	=	\$0.00024
\$1.00	=	KR4,046

ABBREVIATIONS

ADB	–	Asian Development Bank
APA	–	Annual Performance Assessment
AEA	–	Annual Evaluation and Audit
AF	–	Affected Person
CRO	–	Complaints Receiving Officer
DPSFM	–	Decentralized Public Service and Financial Management
EARF	–	environment assessment and resettlement framework
EIA	–	environmental impact assessment
EMP	–	Environmental Management Plan
FGD	–	Focus Group Discussions
GRM	–	Grievance and Redress Mechanism
IEE	–	Initial Environmental Examination
MEF	–	Ministry of Economy and Finance
MOE	–	Ministry of Environment
NCDD-S	–	National Committee for Sub-National Democratic Development
PFM	–	Public Finance Management
PFT	–	Project Facilitation Team
PDEF	–	Provincial Department of Economy and Finance
REA	–	Rapid Environmental Assessment
RGC	–	Royal Government of Cambodia
SPS	–	Safeguards Policy Statement
SNA	–	Sub-National Administration
SNIF	–	Sub-National Investment Facility

NOTE

In this report, "\$" refers to US dollars.

This environmental assessment and review framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature. Your attention is directed to the [“terms of use”](#) section on ADB's website.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

I. INTRODUCTION

1. This Environmental Assessment and Review Framework (EARF) is prepared as part of the Asian Development Bank (ADB) Project Loan Agreement with the Royal Government of Cambodia (Government) - P41392 CAM: Decentralized Public Service and Financial Management (DPSFM), Subprogram 2 – Sub-National Investment Facility (SNIF).

2. The SNIF is a national financing instrument for sub-national administrations (SNAs) within the broader array of instruments being put into place under the IP3/NCDD. As such, SNIF is a special funding facility which can be accessed by qualifying SNAs to finance discrete, pre-approved investment subprojects.

3. Considering that SNIF investments are not predefined, it is not possible to prepare environmental impact assessments for the subprojects prior to project start. Therefore, the EARF is important since it will guide SNIF subproject selection, screening, categorization, environmental assessments, preparation and implementation of safeguard plans of subprojects. As such, this framework will ensure compliance with established ADB Safeguards Policy Statement (SPS) 2009 and the Government's legislation on environmental management.

A. Project Description

4. The overall goal of the SNIF is to provide financial assistance to SNA for the implementation of investment projects that support democratic development at the sub-national level. SNIF financial assistance to selected SNAs will be provided in a manner consistent with the Government's over-arching policy on Sub-National Administrations and the strategy of the National Committee for Sub-National Democratic Development (NCDD). The SNIF has been legally established under Sub-Decree No 32.ANKr.BK signed by the Prime Minister on 29 February 2016.

5. The SNIF has two policy objectives:

- to promote more strategic & better quality public investments by SNAs on a “competitive” basis; and
- to encourage better general SNA Public Financial Management performance & governance through incentives with the aim to improve their overall performance and public investment management.

6. The SNIF will be used to finance investment expenditures which the District and Municipal Fund transfer will not normally finance. The SNIF will therefore be used to finance the “one-off” investment expenditures which would not arise every year, and which may be too costly to be financed from the regular SNAs budget.

7. It is envisaged that SNIF financing will eventually be available to all levels of SNA, however it will only be available to District during this initial stage unless additional funding from Government or other development partners is made available.

8. SNIF is not a regular fiscal transfer for SNA budget support and it is therefore not a district entitlement and not all districts will receive allocations for investment projects each year. There are two stages in determining if a district will access SNIF finance:

- The Annual Performance Assessment (APA), which will determine if a district is eligible to submit investment project proposals for SNIF financing or not; and

- Appraisal and approval (or rejection) of individual Investment Project Proposals submitted by eligible districts to the SNIF secretariat.

9. This means that a district will first need to pass and get a high ranking in the annual performance assessment to be eligible for submitting investment proposals to the SNIF secretariat. Second, even if a district is assessed as being eligible it must **also** get final approval of each individual investment proposal submitted to the SNIF secretariat before it can receive SNIF finance. In other words, a district may get a high ranking in the APA but may fail to get approval for its investment proposal, if the proposal is not of adequate quality.

10. The SNIF District Operational Manual establishes what types of investments the District can propose for SNIF financing. A Positive and a Negative investment menu have been established which are found in Annex 1. If an Investment Project Proposal contains any of expenditures listed in the Negative investment menu, they will automatically be excluded from consideration.

11. All subprojects will have to be screened and approved for financing by the SNIF secretariat. The procedures for SNIF Secretariat screening criteria and process are described in the Secretariat Operations Manual.

12. When individual investment subprojects are approved, grants will be provided to the District Governments which then becomes responsible for implementation of each investment subproject.

13. By the end of each year cycle, an Annual Evaluation and Audit (AEA) process will take place. In order to verify that SNIF funds have been used for their intended purpose and in ways that are consistent with the SNIF District Operations Manual and other RGC regulations, the SNIF Secretariat will carry out an AEA of the investment subprojects that it has funded in previous years. The AEA will provide SNIF stakeholders with timely and accurate information on the quality of investment subprojects and their implementation.

14. The AEA result will feed into the APA. Therefore, poor performance in implementing SNIF-financed investment subprojects will have consequences for future District eligibility to access SNIF financing.

B. Purpose of the EARF

15. The SNIF is categorized as B for environment in accordance with ADB's SPS 2009. This EARF sets up the procedures for all subprojects/investments financed by SNIF, in accordance with ADB's SPS 2009 and the Government's legislation on environmental management. It will guide subproject selection, screening and categorization, environmental assessment, and preparation and implementation of environmental management and monitoring plans (EMPs) of subprojects.

16. This EARF identifies the broad environmental safeguard policy, procedures and institutional requirements for preparing subprojects under the loan.

17. The Executing Agency for all subprojects will be responsible for ensuring that environmental assessments and implementing EMPs for subprojects are followed as outlined in this framework.

18. This EARF shall apply to all subprojects under the SNIF so as to ensure that the environmental issues are appropriately addressed and risks are mitigated to acceptable levels.

C. Assessment of Legal Framework and Institutional Capacity

1. Legal Framework

19. The Government law covering environmental impact assessment is sub-decree No 72 ANRK.BK in the Law on Environmental Impact Assessment Process dated 11 August 1999. The main objectives of this sub-decree are:

- To determine an Environmental Impact Assessment (EIA) upon every private and public project or activity, it must be reviewed by the Ministry of Environment (MOE), prior to the submission for a decision from the Government.
- To determine the type and size of the proposed project(s) and activities, including existing and ongoing activities in both private and public sector prior to undertaking the process of EIA.
- To encourage public participation in the implementation of the EIA process and take into account their conceptual input and suggestions for re-consideration prior to the implementation of any project.

20. An Annex of the sub-decree lists the activities and the scale of activity which require an environmental assessment. An excerpt from this Annex, covering examples of potential types of investments SNIF will be financing is shown below:

No.	Type and activities of the projects	Size / Capacity
A	INDUSTRIAL	
7.	Water supply	≥ 10,000 Users
B.	AGRICULTURE	
3.	Land covered by forest	≥ 500 Hectares
6.	Irrigation systems	≥ 5,000 Hectares
7.	Drainage systems	≥ 5,000 Hectares
8.	Fishing ports	All sizes
D.	INFRASTRUCTURE	
3.	Construction of bridge-roads	≥ 30 Tones weight
4.	Buildings Height	≥ 12 m or floor ≥ 8,000 m ²
10.	Port construction	All sizes

21. Most SNIF subprojects will be in the cost range of US\$ 25,000 to 100,000 and will therefore be small scale investment projects, and would most likely not require environmental impact assessment under sub-decree No 72 ANRK.BK, but case by case analysis will be conducted. However, under Commune/Sangkat and District/Municipal Fund implementation procedures, all subprojects with potential negative environmental impact will be subject to an EIA. This same practice will be followed for all SNIF-funded subprojects.

2. ADB Environmental Classification

22. Under ADB procedures, there are a number of categories of project depending on the significance of environmental impacts and risks. The main ones are:

Category A: A proposed project is classified as category A if it is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works.

Category B: A proposed project is classified as category B if its potential adverse environmental impacts are less adverse than those of category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects.

Category C: A proposed project is classified as category C if it is likely to have minimal or no adverse environmental impacts. An EIA or IEE is not required, although environmental implications need to be reviewed.

23. The selection criteria for all subprojects are predefined and include (among other criteria) safeguards measures related to environmental, resettlement and indigenous peoples (Highland People).

- i. Subprojects should not cause involuntary resettlement and should require as little land acquisition as possible. Subprojects should be the equivalent of Category "C" for resettlement and indigenous peoples.
- ii. As the SNIF is categorized as "B" for environment, only subprojects assessed as Category "B" or "C" for environment can be considered; all category "A" subprojects will be rejected for funding by SNIF.

3. Complying with Government and ADB Requirements

24. As described in section B – Project Description, the SNIF operational framework has several stages (project design, appraisal, and post-evaluation) where various quality and feasibility checks will take place. Environmental safeguard checks are an integral part of this framework.

25. The environmental categorization of individual subprojects will be determined by the environmental impact assessment undertaken by the Districts in compliance with RGC Safeguards framework and ADB SPS 2009. The first step in this process is subproject screening for environmental sustainability using a Rapid Environmental Assessment (REA) checklist (Annex 2) during the subproject development stage.

26. If any subprojects potentially fall into Category B as identified during the REA process, the subprojects will be subject to an Initial Environmental Examination (IEE) in accordance with ADB SPS 2009. In accordance with Commune/Sangkat and District/Municipal Fund implementation procedures, all subprojects with potential negative environmental impact will be subject to an EIA. To ensure consistency between the ADB SPS 2009 and the Government's legislation on environmental management, and to avoid duplication of work, the EIA as specified in the District Operational Manual will be accepted by ADB as the IEE. For the purpose of the SNIF, EIA is used to refer to the IEE. The EIA report consists of three sections: (i) environmental impact analysis (long- and short-term impact); (ii) environmental management plan; and (iii) environmental monitoring plan (Annex 3).

27. The EIA shall be submitted as an annex to the District Investment Project Proposal and will be reviewed by the safeguard specialist in the SNIF Secretariat as part of the subproject appraisal process. Considering that the SNIF Secretariat will screen all subprojects, the Secretariat will not approve any subprojects which fall into Category A for SNIF financing. Only subprojects classified as Category C or B under ADB SPS 2009 may be implemented under the loan.

4. Institutional capacity

28. District Capacity for Environmental Assessment. Arguably, district administrations have limited capacity for environmental assessments of the kinds required by the SNIF, at this stage. Developing this capacity will be among the subjects of the extensive CD program to be implemented by the SNIF Secretariat prior to the identification and submission of the first batch of projects. The Secretariat will train districts on the operations manual, and therefore will include capacity development on the environmental assessments required for project formulation.

29. The SNIF Secretariat Safeguards Specialist will lead support to district capacity development, and provide backstopping to districts as they prepare their plans. At the district level, the District engineer will be the focus of the capacity building efforts on environmental assessment. Depending on the type of project identified, the district level offices of other line departments (Ministry of Rural Development, Ministry of Agriculture Fisheries and Forestry, for instance) will be called to assist with project design. These line offices now contain adequate capacity for project implementation and provide an important repository of knowledge for district administrations. As decentralization plans proceed, a number of their functions (and the personnel attached to them) will be eventually transferred to the district administrations.

30. Provincial departments of environment will assist district administrations with backstopping and capacity development activities. The Government's provincial resource centers will coordinate capacity development efforts and provide demand-driven hands on mentoring to Districts, Municipalities and communes.

D. Anticipated Environmental Impacts and Mitigation Measures

31. Considering the nature of the SNIF, it is difficult to predict the exact infrastructure subprojects that will be identified and prioritized by Districts and therefore it is also difficult to predict the types of potential environmental impacts. As shown in Annex 1 of this EARF, SNIF will finance small-scale infrastructure investments such as schools, health clinics, village roads and bridges, irrigation systems, markets, and water supply. Paragraphs a to c below summarizes the kinds of expected impacts and proposed mitigation measures in the various stages:

a) **Design phase.** During the subproject design stage, environmental safeguards assessments against a predesigned checklist are mandatory to avoid adverse environmental impacts. It is acknowledged that some small-scale infrastructure supported by the SNIF could result in modification of local drainage patterns, erosion, down-stream water-supply, and changes to the landscape. As subprojects which would have impacts on cultural heritage site, legally protected areas or special areas for biodiversity protection would be categorized as A for environment, and therefore would be excluded from the selection, the risk of impacts from site selection and design is considering low and impact can readily be avoided in most cases through proper siting, design measures and mitigation plans. There may be other potential environmental impacts due to the design of the subprojects that may be identified during subproject implementation. The checklist will cover EIA procedures and the project team will ensure that any other impacts are identified and addressed in due course.

b) **Construction phase.** The impacts during construction phase are temporary and minimal, including increased level of noise and dust, disposal of waste causing air or water pollution, and work conditions for workers. Safeguards to avert any adverse environmental effect during construction include: (i) proper use and maintenance of construction equipment, in accordance with the owner's manual and compliant with government's

standards to minimize noise and dust from construction activities; (ii) limiting noisy works to 9am to 5pm during work days only; (iii) provision of safe and healthy working conditions to prevent accidents, injuries, and disease to workers; (iv) prioritization of hiring local construction companies and labor to avoid large influx of workers; and (v) development and implementation a waste management plan for chemical and hazardous wastes according to government regulations if deemed necessary. There may be other potential environmental impacts identified during the construction of the subprojects, which the project team will ensure that are identified and addressed in due course.

c) **Operation and maintenance phase.** The potential environmental impacts during operation/maintenance stage are regarded as very low to medium. Changes to drainage, erosion, sedimentation, changes to water flow, disposal of waste, or excess use of fertilizers and pesticides causing water and soil contamination, and subsequent risks of flooding and landslides are possible impacts. In particular some small-scale buildings and new roads may cause habitat loss and fragmentation. The overall risk is small, but the cumulative impact of a number of small-scale infrastructure activities in an area might be significant. Mitigation and prevention is achieved through proper planning and location selection, discussion and agreement on water allocation among water users (in case of irrigation subproject), regulated use of fertilizers and pesticide (in case of agriculture subprojects). Dust pollution can be a problem along rural roads during the dry season. Traffic hazards are inherent to all roads. Both risks are low given the expected low traffic volumes and the fact that most of the vehicles using these roads will be motorcycles and any impact is expected to be minimal. The EIA of each subproject will identify impacts during operation and maintenance phase, and propose mitigation measures for these impacts.

32. All subprojects that are considered to fall into Category B will have an Environmental Management Plan and an Environmental Monitoring Plan. It is the responsibility of the District to provide oversight of implementation of each individual plan by the selected contractor.

33. In addition, the SNIF Secretariat will provide a second layer of oversight through the Annual Evaluation and Audit process. This will be conducted by independent teams hired by the SNIF Secretariat and includes an assessment of actual environmental and social impact during and after subproject completion.

E. Environmental Assessment for Subprojects and/or Components

1. Summary of Assessment Steps

34. Step 1: The proposed subproject should be screened for environmental issues which would be critical to the success and environmental performance of the subproject. The screening will be undertaken by the subproject District Project Facilitation Team (PFT), during the stages of subproject preparation and initial design, using the REA checklist. The REA checklist has been integrated as a key part of the SNIF Investment Project Proposal formats that the Districts will use to submit subprojects for financing by SNIF. This is described in (2) below.

35. Step 2: If any of the answers in the REA is 'YES' an EIA will be prepared by the relevant PFT as part of the feasibility and design phase of the subproject. This EIA will be attached to the District Investment Project Proposal dossier which each District will submit to the SNIF Secretariat for review and potential funding. This is described in (3) below.

36. Step 3: When the SNIF Secretariat receives the District Investment Project Proposals, the Safeguard specialist will screen each proposal to check if the assessment has been completed as per established guidelines. The safeguard specialist can request

additional information from the District if necessary and/or visit the subproject site to gather required information to complete his/her assessment.

37. Step 4: The first EIA in each of the different investment categories will be submitted to ADB for prior review and approval before contracts are awarded for construction. Upon confirmation that it meets SPS 2009 requirements, subsequent EIAs can be approved by the SNIF Director [TBD]. These EIAs are subject to post review by ADB upon request.

38. Step 5: Finally, all completed and approved EIAs including EMPs must be submitted to ADB for public disclosure on the ADB's website.

2. Process for Environmental Impact Assessment of Subprojects

39. The EIA of subprojects will take place at two levels:

a. The Districts will prepare the EIA if necessary as described above during the subproject design stage. The EIA with all necessary documentation will be submitted as annexes to the SNIF District Investment Project Proposal dossier. The PFT with assistance from the provincial environmental department will prepare the EIA as following:

- **Desk Study:** Review of information such as maps, and available reports;
- **Consultations:** communities and local stakeholders shall be consulted by means of Focus Group Discussions (FGD). Discussions with concerned Government agencies will also be undertaken.
- **Field Assessment:** Assessment of the potential and significant environmental concerns shall be done to collect data and analyze any potential impacts.
- **Identification of Environmental Impacts and Mitigation Measures:** The impacts will be identified in terms of their significance, extent, reversibility, and duration.
- **Design of Environmental Management Plan:** The EIA shall include an EMP where potential environmental impacts are identified, mitigation measures prepared, method of mitigation measure developed, etc.
- **Design of Environmental Monitoring Plan:** The EIA shall also include an Environmental Monitoring Plan which establishes the what needs to be monitored, frequency and nature of monitoring activities set out with, cost estimated, and responsible agency for undertaking the monitoring identified.

b. When the subproject is received by the SNIF Secretariat safeguard specialist, s/he will review each subproject against the established safeguard criteria in the SNIF Secretariat Operational Manual which is in line with ADB's SPS 2009, the Government's environmental assessment sub-decree, and this EARF. All Category 'A' will be rejected for SNIF financing, while Category 'B' subprojects can be approved subject to a sufficient mitigation plan and monitoring plan.

40. In case a District has categorized a subproject as Category C, while it has potentially a higher level of negative impact, the SNIF Secretariat will either reject the subproject or request the concerned District to prepare an EIA before the proposal can be considered for SNIF financing.

41. The Environmental Management Plan and Monitoring Plan are critical documents for each subproject. The provisions of the plans will be incorporated into tender documents and construction contracts.

F. Consultation, Information Disclosure, and Grievance Redress Mechanism

1. Public Consultation

42. All SNIF financed subprojects will be selected from the overall District Investment Program and/or Annual development plans. Public consultation has therefore already been conducted as part of the subproject identification stage. The final prioritization of a District Investment Project Proposal is concluded in the District Council. In addition, public consultations will be held by the PFT during the preparation of the EIA to review potential environment impacts and to discuss possible mitigation measures for subprojects. This will include discussing with the communities the kind of environmental impacts that are to be expected, and the documentation of communities concerns, which will be addressed in the final project document.

43. Participatory meetings with government stakeholders and representatives from water user groups and farmers should be undertaken to collect data and to present the Project (designs and locations), and to ascertain social and environmental issues and concerns.

44. Feedback from the participants on subproject implementation and consensus on how to deal with environmental issues in the area will be important goals of the consultation process.

2. Public Disclosure

45. All EIAs, EMPs and environmental monitoring reports must be disclosed on SNIF Secretariat website and ADB website.

3. Grievance Redress Mechanism

46. A grievance redress mechanism (GRM) will be established at each participating District office for all matters related to any SNIF financed investments. The GRM will address all community concerns related to the subproject. The District will appoint a complaints receiving officer (CRO) which will refer the grievance to the PFT and the relevant department in charge.

47. The following GRM process consists of four escalating steps as following:

a. **Step 1:** A grievance is submitted to the CRO by the Affected Person (AP). The CRO shall record the complaint in the SNIF Grievance log. Information about the plaintiff, the nature of grievance, resolution and case-manager from the District office shall be included. The CRO shall investigate the validity of the complaint and review potential solutions with the PFT and the relevant department in charge of the subproject. The CRO shall facilitate a meeting between the AP, representative of the PFT and the relevant department to a meeting to attempt to resolve the grievance within 15 days since receipt of the complaint.

b. **Step 2:** Submissions that cannot be solved directly by the CRO can be referred to the Head of the District Council. In this case the CRO is responsible for presenting the case and the relevant documentation. The Head of the District Council will be responsible for investigate the validity of the complaint and review potential solutions with the PFT and the

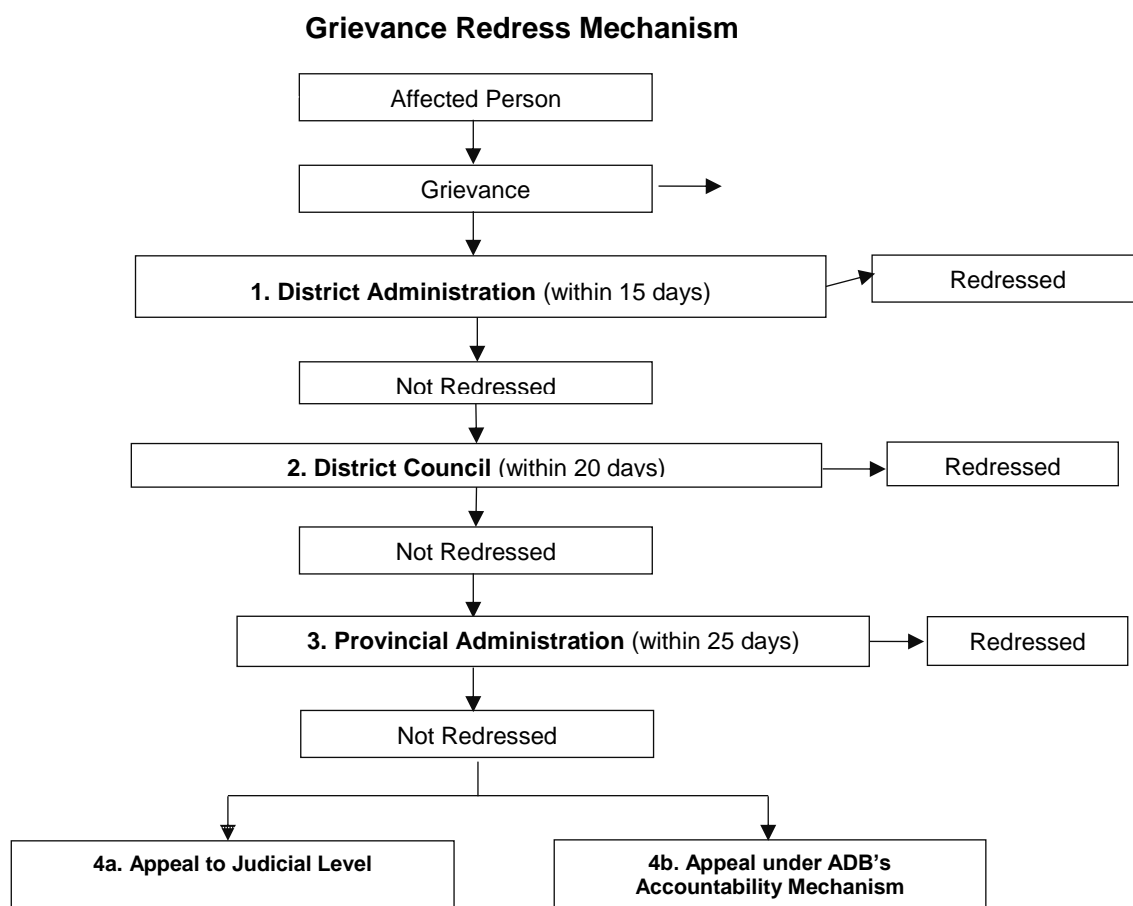
relevant department in charge of the subproject. The Head of the District Council shall facilitate a meeting between the AP, representative of the PFT and the relevant department to a meeting to attempt to resolve the grievance within 20 since receipt of the submission.

c. **Step 3:** If the matter is of serious nature and cannot be resolved at the District level (Step 1 and Step 2 as described above), the AP can escalate the grievance to the Provincial Governor. Provincial Government department investigates the complaint and then invites the AP, the CRO and PDEF to a meeting to attempt to resolve the grievance within 25 days since receipt of the submission.

d. **Step 4:** If the grievance remains unresolved the AP may advance the grievance to the judicial level for final resolution and settlement. The AP may also choose to approach ADB under the Accountability Mechanism.¹

48. The Grievance log shall be open for public insight and made available to the SNIF Secretariat upon request.

49. The SNIF Secretariat will spot-check the Grievance log and interview plaintiffs if necessary as part of general monitoring functions.



¹ The ADB Accountability Mechanism provides a forum where people adversely affected by ADB-assisted projects can voice and seek solutions to their problems and report alleged noncompliance of ADB's operational policies and procedures. It consists of two separate but complementary functions: consultation phase and compliance review phase. For more information see: <http://beta.adb.org/site/accountability-mechanism/main>

G. Institutional Arrangement and Responsibilities

50. The Ministry of Economy and Finance (MEF) will be the executing agency for the Decentralized Public Service and Financial Management Sector Development Project, Subprogram 2 – SNIF. The SNIF Secretariat will be led by the DG SNAF and be situated within MEF in Phnom Penh as defined in the Sub-Decree No 32.ANKr.BK signed by the Prime Minister on 29th February 2016. The composition of the SNIF Secretariat is defined in the SNIF Secretariat Operational Manual.

51. The Districts will be the implementing agency for each approved subproject and will be responsible for managing the implementation of the subproject. The District Governor bears the overall responsibility of the implementation and will be assisted by a Project Facilitation Team (PFT). The composition of the PFT is defined in the SNIF District Operational Manual.

52. The supervision and monitoring of environmental activities during the pre-construction, construction and operation phases are the functions of the District PFT and will be able to draw on support from Provincial level Department of Environment.

53. To support the executing agency and implementing agencies to prepare environmental safeguards documents, and implement the environmental management and monitoring plans of subprojects, a safeguard specialist will be required as part of the SNIF Secretariat (PMU). The safeguard specialist will be assisted by the ADB safeguard officer in the ADB Resident Mission and trained if necessary on safeguard management and monitoring. These arrangements will ensure necessary capacity within the executing agency to adequately implement Government legislation and ADB safeguard requirements. The terms of reference for the safeguards specialist positions is attached in Annex 4.

54. The major responsibilities of the safeguard specialist will be to ensure that:

- Individual subprojects are duly screened before approval for SNIF financing;
- Assist Districts to ensure all EIAs including EMPs are prepared, submitted and approved
- The mitigation measures and monitoring of these activities are carried out in accordance with the EMP;
- The environmental monitoring plan and activities are being carried out;
- Reporting is performed in compliance with ADB and Government requirements.

55. Upon completion of each subproject, the District shall prepare a closing report which includes a section on environmental safeguards. Based on these reports, the SNIF Secretariat will submit semi-annual project progress reports to the SNIF Board on project implementation and these will include environmental performance based on the District closing reports, monitoring and inspections data provided by the safeguard specialist. Copies of the report will be made available to ADB by the SNIF Secretariat.

ANNEX 1: Positive and Negative investment menus

The Positive Menu

The positive menu is an **indicative** list of sectors and areas within sectors that SNIF can finance. The list provides guidance to the district on what kinds of investment proposals will be considered for SNIF funding. However, it is important that the district discusses investment proposals with the relevant and individual sector departments before submission to ensure that any proposals are fully consistent with sector strategies, priorities, and plans.

In addition, the district needs to make sure that its proposals can be qualified as a “district-specific proposal” which means that it should not fund investment projects which fall into a category that is the responsibility of the Central government, the Province or the C/S. Also, a District project proposal should benefit more than one C/S and/or should be of such nature that it otherwise would not be financed for example by the C/S Fund itself.

The Table here below gives an indication of possible **eligible** types of IPP in the main sectors:

SECTOR With benefits District-wide	INDICATIVE EXAMPLES OF ELIGIBLE INVESTMENTS
<u>Education:</u> entire schools, classrooms, teacher accommodation, student hostels	New facilities, or extensions to, or rehabilitation of existing facilities with impact on quality of education in several Communes, such as: <ul style="list-style-type: none"> • primary, lower secondary or secondary schools; • teacher housing; • student hostel facilities; • school furniture & equipment on a district-wide basis; • water supply or latrines for schools on a district-wide basis
<u>Health:</u> health clinics & posts; transport	New facilities, or extensions to, or rehabilitation, and/or re-equipment of existing facilities with impact on quality of health care in several Communes, such as: <ul style="list-style-type: none"> • district hospitals, health clinics, etc. • ambulances
<u>Transport:</u> Road links (serving several communes)	New or rehabilitation of existing roads & bridges; new or rehabilitation of ferry or other river crossing facilities which benefit several Communes
<u>Agriculture:</u> irrigation/drainage facilities (serving significant number of farmers)	New facilities or rehabilitation of existing facilities serving farmers in more than one Commune, such as: <ul style="list-style-type: none"> • canal headworks or diversion structures; • canal or drainage structures; • pump stations, etc.
<u>Forestry:</u> community forest protection or development	Forest or catchment conservation measures with benefits to more than one Commune, such as: <ul style="list-style-type: none"> • Replanting or protection of local forests; • Watershed/catchment protection measures
<u>Trade:</u> market, storage & processing facilities	New facilities or rehabilitation of existing markets, storage and processing, etc. structures or equipment benefitting several Communes.

SECTOR With benefits District-wide	INDICATIVE EXAMPLES OF ELIGIBLE INVESTMENTS
Water Drinking water supply	New or extensions or rehabilitation of single or several existing facilities benefitting several Communes, such as: <ul style="list-style-type: none"> • Community water supply facilities; • Water supplies at schools, markets, clinics; Not private household supply.
<u>Sanitation & Waste Disposal</u>	New facilities or rehabilitation of existing facilities benefitting several Communes, such as: <ul style="list-style-type: none"> • sewerage systems; solid waste disposal facilities; • public toilets at schools, markets, etc. Not household latrines.
Energy: rural electrification	New, or rehabilitation to existing facilities benefitting several Communes, such as: <ul style="list-style-type: none"> • power generation facilities; • transmission facilities Not private energy supply
<u>Local economic development</u>	New facilities, or rehabilitation of existing facilities benefitting several Communes: <ul style="list-style-type: none"> • Public infrastructure for industrial estates • Public infrastructure for tourism development

The Negative Menu

Conversely, the following types of investments or expenditure items are **off-limits** for SNIF funding. These will include:

TYPE OF EXPENSE WHICH IS <u>NOT</u> ELIGIBLE FOR SNIF FINANCING	INDICATIVE EXAMPLES
Recurrent expenses	Staff or administrative costs, fuel, medical supplies, etc. (with the exception of technical engineering costs related to project preparation and oversight during implementation)
Administrative facilities	Any investment in district offices, furniture, equipment or vehicles; commune offices
Investments falling under central government authority	Any investment in police stations, customs offices, repairs to national roads, etc.
Commune-level investments	Single box-culverts, small stretches of rural roads, single village water systems, etc., only benefitting people within one Commune
Private investments which benefit only one or few people	A private rice mill, hotel or other private business; a road for one farm or factory; irrigation pump for just a few families; farm inputs to individual households; water/sanitation to single households
Investments in religious, cultural and sporting facilities	Facilities for monks; rehabilitation or new pagoda; excavation or protection of ancient temples; sports facilities; etc

TYPE OF EXPENSE WHICH IS NOT ELIGIBLE FOR SNIF FINANCING	INDICATIVE EXAMPLES
Investments adjacent to or within cultural heritage site, legally protected area, or special areas biodiversity conservation	Any investments adjacent to or within cultural heritage site, legally protected area, or special areas biodiversity conservation as they would render the subproject category A for environment
Investments which have clear negative social or environmental impact	These investments may be on the positive menu but are inherently socially or environmentally undesirable. All subprojects with category A for environment

An IPP which contains any of these expenditures in the table above will automatically be excluded from consideration.

ANNEX 2: Rapid Environmental Assessment (REA) Checklist

Note: The final applicable REA checklist is to be found in the District SNIF Operational Manual. The list below has been included for information. It is important to note that the SNIF Operational Manual is a 'living document' which is expected to change over time as lessons are learned from the implementation. Therefore, the REA as annually approved in the District SNIF Operational Manual is the governing and final REA checklist document.

PART V - SAFEGUARDS		
1. Environmental safeguards		Remarks
a) Is the location of this project on the NCDD environmental watch list?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
b) Is the Project area adjacent to or within any of the following environmentally sensitive areas? <ul style="list-style-type: none"> • Wetland • Mangrove • Estuarine 	YES <input type="checkbox"/> NO <input type="checkbox"/>	
c) Will the project cause impairment of historical/cultural areas; disfiguration of landscape or potential loss/damage to physical cultural resources?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
d) Will the project cause disturbance to precious ecology (e.g. sensitive or protected areas)?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
e) Will the project cause alteration of surface water hydrology of waterways resulting in increased sediment in streams affected by increased soil erosion at construction site?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
f) Will the project cause deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
g) Will the project cause increased air pollution due to project construction and operation?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
h) Will the project noise and vibration due to project construction or operation?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
i) Will the project poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations?	YES <input type="checkbox"/> NO <input type="checkbox"/>	

j)	Will the project creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
k)	Will the project large population influx during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
l)	Will the project risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during project construction and operation?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
m)	Will the project risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
n)	Will the project community safety risks due to both accidental and natural causes, especially where the structural elements or components of the project are accessible to members of the affected community or where their failure could result in injury to the community throughout project construction, operation and decommissioning?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
o)	Will the project generation of solid waste and/or hazardous waste?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
p)	Will the project use of chemicals?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
q)	Will the project generation of wastewater during construction or operation?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
r)	If the answer to any of the questions in this section is YES an Environmental Impact Assessment which includes an Environmental Management Plan and an Environmental Monitoring Plan needs to be prepared and attached. Has these documents been attached?	YES <input type="checkbox"/> NO <input type="checkbox"/>	

ANNEX 3: Environmental Impact Assessment (EIA) Report

Note: The final applicable EIA report format is to be found in the District SNIF Operational Manual. The list below has been included for information. It is important to note that the SNIF Operational Manual is a 'living document' which is expected to change over time as lessons are learned from the implementation. Therefore, the EIA report as annually approved in the District SNIF Operational Manual is the governing and final EIA report format.

Environmental Impact Assessment (EIA) Report			
Province		Commune(s)	
District		Commune GIS Code(s)	
Name of Project			
Date(s) of participatory environmental analysis		Name of official responsible for analysis	
Location of doing the analysis		Number of local people participated in the analysis (attachment)	

Summary assessment		
Classification	Description	Tick only one
Category A	The proposed project is classified as category A since it is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works.	
Category B	The proposed project is classified as category B since it has potential adverse environmental impacts but are less adverse than those of category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects.	
Category C	The proposed project is classified as category C since it has minimal or no adverse environmental impacts.	

Date:.....

Responsible Official

Attachments:

- ✓ Environmental map
- ✓ List of Environmental Impact analysis
- ✓ Environmental management plan
- ✓ Environmental monitoring plan
- ✓ List of participants in environmental analysis
- ✓ Minutes of Environmental analysis meeting

SECTION I: Environmental Impact Analysis

1. Long Term Impacts on the Environment

Problem	Severity		Locations on map
Increased threats to endangered wild animals known to live in the area	Big impact		
	Medium impact		
	No/small impact		
Damage to the fisheries resources or fisheries stocks	Big impact		
	Medium impact		
	No/small impact		
Damage to the forest (especially in bio-diversity areas)	Big impact		
	Medium impact		
	No/small impact		
Impact on sustainability of wetlands or water sources (especially in protected or bio-diversity area)	Big impact		
	Medium impact		
	No/small impact		
Long term damage to agricultural land	Big impact		
	Medium impact		
	No/small impact		
Erosion caused by changes to alignment or size of streams	Big impact		
	Medium impact		
	No/small impact		
Erosion caused by removing vegetation	Big impact		
	Medium impact		
	No/small impact		
Flooding caused by project implementation	Big impact		
	Medium impact		
	No/small impact		
Damage to water quality due to chemical pollution	Big impact		
	Medium impact		
	No/small impact		
Long term impact causing by dust, noise or safety problems	Big impact		
	Medium impact		
	No/small impact		
Damage to valuable cultural sites	Big impact		
	Medium impact		
	No/small impact		
Damage to the livelihood, living environment or customs of indigenous people.	Big impact		
	Medium impact		
	No/small impact		
Other long term problem (describe)	Big impact		
	Medium impact		
	No/small impact		
Other long term problem (describe)	Big impact		
	Medium impact		
	No/small impact		

2. Short-term Impacts on the Environment

Problem	Severity		Locations on map
Damage will be caused by vehicles transporting materials to the site	Medium impact		
	No/small impact		
Dust problem during construction	Medium impact		
	No/small impact		
Noise problem during construction	Medium impact		
	No/small impact		
Contamination of water resources during construction	Medium impact		
	No/small impact		
Damage to home gardens and fruit trees	Medium impact		
	No/small impact		
Short-term damage to agricultural land	Medium impact		
	No/small impact		
Damage to domestic water supplies	Medium impact		
	No/small impact		
Other short-term problem (describe)	Medium impact		
	No/small impact		
Other short-term problem (describe)	Medium impact		
	No/small impact		
Describe any positive impact of the project on the environment (if any):			

SECTION II - Environmental Management Plan

Describe Problem(s) identified*	Mitigation measure	Cost		Who is responsible		Impact remaining after mitigation	Priority	Comments
		Installation	Operation	Installation	Operation	(Big / Some / None)	(H, M, L)	
1. Recommended changes to the design of the project								
2. Recommended changes to the way the project will be constructed								
3. Recommended changes to the way the project will be operated or maintained								

*Add Rows as needed

SECTION III: Environmental Monitoring Plan

No	What	Where	How	When	Who
	What will be monitored?	Place for monitoring?	How to monitor?	When monitoring will be done?	Who will be responsible to monitor?
1					
2					
3					
4					
5					
6					
7					
8					

LIST OF PARTICIPANTS IN THE ENVIRONMENTAL ANALYSIS

Date:.....

[illegible]

ANNEX 4: TOR for SNIF Secretariat safeguard specialist

1. INTRODUCTION

The Sub-National Investment Fund (SNIF) is the primary instrument through which the Royal Government of Cambodia (Government) and its development partners (DPs) provide Sub-National Administrations with earmarked funding to finance specific and approved public investment projects or programmes. The objectives of the SNIF are twofold:

- To promote socio-economic development at the sub-national level by financing high quality and strategic public investments by Sub-National Administrations (SNAs).
- To improve the overall performance of SNAs and sub-national public investment management.

In general terms, the SNIF provides earmarked funding for investment projects and programmes that are identified and implemented by selected SNAs.

On a day-to-day basis, the SNIF is managed by the SNIF Secretariat in the Ministry of Economy & Finance (MEF). Overall SNIF policies, strategies and orientations are determined and overseen by the SNIF Board, which is also responsible for supervising and monitoring the activities and performance of the SNIF Secretariat.

The SNIF Secretariat (hereafter referred to as the Secretariat) is led by its Head and Deputy Head, assisted by a team of Specialists. This Specialist team includes a full-time Safeguards Specialist. These Terms of Reference describe the scope of work and qualifications & experience required by the SNIF Secretariat's Safeguards Specialist.

2. SCOPE OF WORK

The Safeguards Specialist reports directly to the Deputy Head of the SNIF Secretariat. The SNIF Safeguards Specialist will be responsible for providing technical support to the Secretariat's management in the following areas:

- (i) SNIF SNA Operations Manuals:
 - Fine-tuning/review of SNIF SNA (District, etc.) Operations Manuals, with a particular responsibility for issues related to social and environmental safeguards.
- (ii) Capacity development of SNAs:
 - Design and review of SNIF orientation and training materials for SNAs and other stakeholders (with particular attention to social and environmental safeguards issues);
 - Provision of orientation to stakeholders (central government, SNAs, others) on SNIF processes and procedures related to social and environmental safeguards;
 - Provision of training for SNAs on social and environmental safeguards requirements.
- (iii) Annual Performance Assessments (APAs) of SNAs:
 - Review of APA results and the identification of eligible SNAs;
 - Participation in annual selection of eligible SNAs.
- (iv) Selection of Investment Project Proposals (IPPs) submitted by SNAs:
 - Review and appraisal of IPPs submitted to SNIF by SNAs;
 - Participation in annual selection of SNA IPPs.

- (v) Annual Evaluations & Audits (AEAs) of SNA investment projects:
 - Fine-tuning/design/review of the methodology for AEAs of SNA investment projects;
 - Review of AEAs;
 - Participation in validation of AEA results and consequences.
- (vi) SNA safeguards issues:
 - Consultation with technical departments of line ministries and other agencies with respect to social and environmental safeguards;
 - Preparation of safeguards standards and assessment procedures for SNAs.
- (vii) SNIF Secretariat reporting:
 - Fine-tuning/design/review of formats for SNA and Secretariat narrative reports;
 - Participation in drafting of regular Secretariat narrative and other reports.
- (viii) Other:
 - Other tasks as assigned by the Deputy Head of the Secretariat.

3. QUALIFICATIONS & EXPERIENCE REQUIRED

The SNIF Safeguards Specialist will have the following qualifications and experience:

- A post-graduate degree in social/environmental sciences or a related field;
- Fluent command of spoken and written Khmer and English;
- At least 10 years experience of working on development projects in Cambodia;
- At least 5 years experience of working on social and environmental safeguards issues in Cambodia;
- Demonstrated track record of delivering high quality outputs on time;
- Experience of having worked on a national, Government-managed, programme would be considered an advantage.
- Experience in ADB safeguards is an asset.