

**Kingdom of Cambodia
Nation Religion King**

Ministry of Interior

**Case Study:
Climate Proofing of Investment Projects
in Takeo Province**

February 2013

Cambodia's Pilot Program for Climate Resilience (PPCR) Project - Phase I is implemented by Ministry of Environment. The program is funded by the Strategic Climate Fund Trust Fund (IBRD Grant TF097459-KH, managed by IDA). TA services for its Components 1 & 2, Mainstreaming Climate Resilience into Development Planning at the National and Sub-National Levels, are provided by DHI (Denmark) in association with Niras A/S (Cambodia).

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Foreword

This paper has been prepared on a background of rapidly improving knowledge about the national climate change agenda, and rapidly evolving modalities for climate preparedness, adaptation and risk reduction, as well as sub-national governance. MOE's Climate Change Department is preparing a national climate change strategy, and quantitative climate change projections are in progress. The Cambodia Climate Change Alliance (CCCA) is implementing a range of related initiatives, with guidance from the inter-ministerial National Climate Change Committee (NCCC) and its Climate Change Technical Team (CCTT). The National Program for Sub-National Democratic Development is supporting deconcentration and decentralization. The National Committee for Disaster Management (NCDM) and its sub-national bodies are working with vulnerability mapping, mitigation options and contingency planning.

Mainstreaming of climate resilience into national and sub-national development planning spans across disciplines and ministries. MOE, with its Climate Change Department, is implementing the PPCR (under which the present paper has been prepared). MOP is the key agent for national strategic development planning and investment planning, and a facilitator and resource provider for the sub-national development and investment planning. Its National Institute of Statistics (NIS) is producing and disseminating basic demographic and socio-economic data in support of the planning. MEF is in charge of national economic housekeeping, fund allocation and good financial governance; while MOI is providing support at the sub-national levels, including managerial and technical guidance and budget allocations. Many other ministries undertake sector planning and programme formulation, and are presently preparing sector strategies for climate adaptation and climate proofing.

The paper is a part of a set of documents prepared under PPCR Component 2. It is intended as a support for continued dialogue about practical and useful modalities for sub-national climate mainstreaming.

Acknowledgement

This paper has been prepared with indispensable assistance and advice from many persons and organizations. The TA Team gratefully acknowledges the support and guidance provided by HE Dr. Mok Mareth, Senior Minister and Minister of Environment; HE Mr. Thuk Kroeun Vutha, Secretary of State of MOE and Programme Coordinator of PPCR; HE Chay Samith, Delegate of the Royal Government of Cambodia in charge of the General Director of General Department of Administration for Nature Conservation and Protection (GDANCP); Dr. Tin Ponlok, Deputy Director General of MOE; and Mr. Sum Thy, Director of Climate Change Department, MOE.

Throughout the work, guidance was provided by Mr. Meas Sophal, Deputy Director General and PPCR Programme Director; Mr. Pichponreay Phoung, Technical Adviser and Assistant Programme Manager, PPCR; Mr. Soeurn Thab, Translation and Interpretation Consultant, PPCR; and the entire PPCR management team of MOE. Smooth collaboration and dialogue have been maintained with the other PPCR components, sharing information, ideas and findings.

Valuable observations were made during seminars held in September and October 2012 in Battambang, Prey Veng, Kampong Thom and Stung Treng, as well as during a site visit to Takeo Province in October 2012.

The following persons (by order of alphabet) shared their knowledge and provided specific guidance to the case study: Mr. Julian Abrams, Local Development Consultant; Mr. Chea Leng, Commune Council Member, Tnaot Commune; Mr. Khut Khan, Commune Council Chief, Tnaot Commune; Mr. Meas Uy, Director of Planning Unit, Governor's Office, Takeo Province; Mr. Nget Srars, Technical Support Officer, Tnaot Commune; Mr. Nuth Lyda, Vice-chief of PMSD, NCDD-S; Mr. Phok Samath, Senior National Program Management Officer, NCDD-S; Mr. Phum Phal, Local Governance Climate Change Pilot Project, Takeo Province; Ms. Prak Socheat, Women's Affairs Officer, Bati District; Mr. Ream Vnnvy, District Management Adviser, Bati District; Mr. Sam Sok Kam, Commune Council Member, Tnaot Commune; Ms. Samol Tithsokhuthary, Technical Support Officer, Tnaot Commune; Mr. Sau Sokhom, Planning & Budget Planning Committee Member, Bati District; and M. Seng Phou, Provincial Program Management Advisor, NCDD.

Comprehensive advice was kindly provided by several development partner representatives, among others (and by order of alphabet) Dr. Ancha Srinivasan, Principal Climate Change Specialist, ADB; Mr. Peter John Brimble, Dty. Country Director and Senior Country Economist, ADB; Mr. Chanthou Hem, Senior Project Officer, ADB; Ms. Phearanich Hing, Climate Change Policy Analyst, UNDP; Ms. Khamlar Phonsavat, Climate Change Analyst, The World Bank; Mr. Khim Lay, Team Leader, UNDP; Mr. Peter King, Adviser to The World Bank; Mr. Kung Munichan, Operations Officer, The World Bank; Ms. Janelle Plummer, Senior Governance Specialist, The World Bank; and Dr. Samuel Wedderburn, Senior Natural Resources Management Specialist, The World Bank.

The TA Team sincerely thanks everyone who shared their time and knowledge, and look forward with enthusiasm and confidence to a continued fruitful dialogue.

Executive Summary

Sub-national governance in Cambodia is in a state of evolution, with a gradual transfer of responsibilities and authority from the national level to the provinces, districts and communes.

At the province level, the Governor's offices are gradually strengthened to play a more active role in sub-national administration. With their Technical Support Units, these offices provide guidance to the communes, along with the provincial departments of the various ministries. At the district level, the annual District Integration Workshop is developing into a consolidated platform for guidance and coordination of the commune-level planning.

The National Committee for Democratic Development (NCDD) was established by the 2008 Organic Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans (which also provided a platform for subsequent D&D reforms). NCDD, based in MOI, is leading the D&D process.

The Local Governments and Climate Change Project (LGCC) is implemented by NCDD. The LGCC Project Document (September 2011) observes that

'Climate change represents a significant challenge for Cambodia. As outlined in several key analytical and official documents, such as Cambodia's most recent NSDP and NAPA, the impact of climate change across the country will vary greatly from place to place and will require strong adaptive capacity by its local governments. Research and emerging policy practice indicate that small-scale, practical measures under the mandates of local governments are key to developing climate change resilience. The current RGC's reform towards Sub-National Democratic Development (SNDD) provides a unique opportunity for mainstreaming CC at sub-national level.'

On this background, the LGCC aims at demonstrating the role that sub-national administrations can play in fostering climate change resilience. The project provides climate change adaptation investments in service delivery and a number of physical commune based projects in two districts and one municipality in Takeo Province. The project is designed to use government planning framework and financing pathways and thus represents a suitable case for mainstreaming climate resilience into development planning at sub-national level.

The work was supported by draft guidelines (in preparation) and by a visionary, MDG-oriented *'Local Development Outlook for Takeo Province'* (March 2011).

Several consultations were conducted at the provincial, district and commune levels in order to disseminate information about climate change to provincial and district officers and commune council members. Assessments were conducted (by a consultant) in the selected communes of target districts and municipality in order to identify the vulnerable groups, the character of the vulnerability, and related options and challenges.

The findings were applied by the commune council members for recommendations on project proposals (jointly with the planning and budgeting committee (PBC) with its village representatives). Next, the proposed projects were reviewed at village-level consultations in order to accommodate the villagers' demands. Finally, a second commune consultation with commune council members and village PBC members was conducted with assistance by a technical support officer; and the project proposals were finalized.

During the process, the technical support committees at the commune and district levels together with women's affairs' officers were main facilitators.

Following the pilot implementation, Vulnerability Reduction Assessments (VRAs) were conducted in preparation for the subsequent (2013) commune development planning.

The objective of the present case study is to learn about the institutional implications and practicalities of climate proofing of investment projects at the sub-national level. This is done based on recent pilot activities conducted by UNCDF and NCDD in Takeo Province - an example of actual sub-national climate proofing of infrastructure in Cambodia.

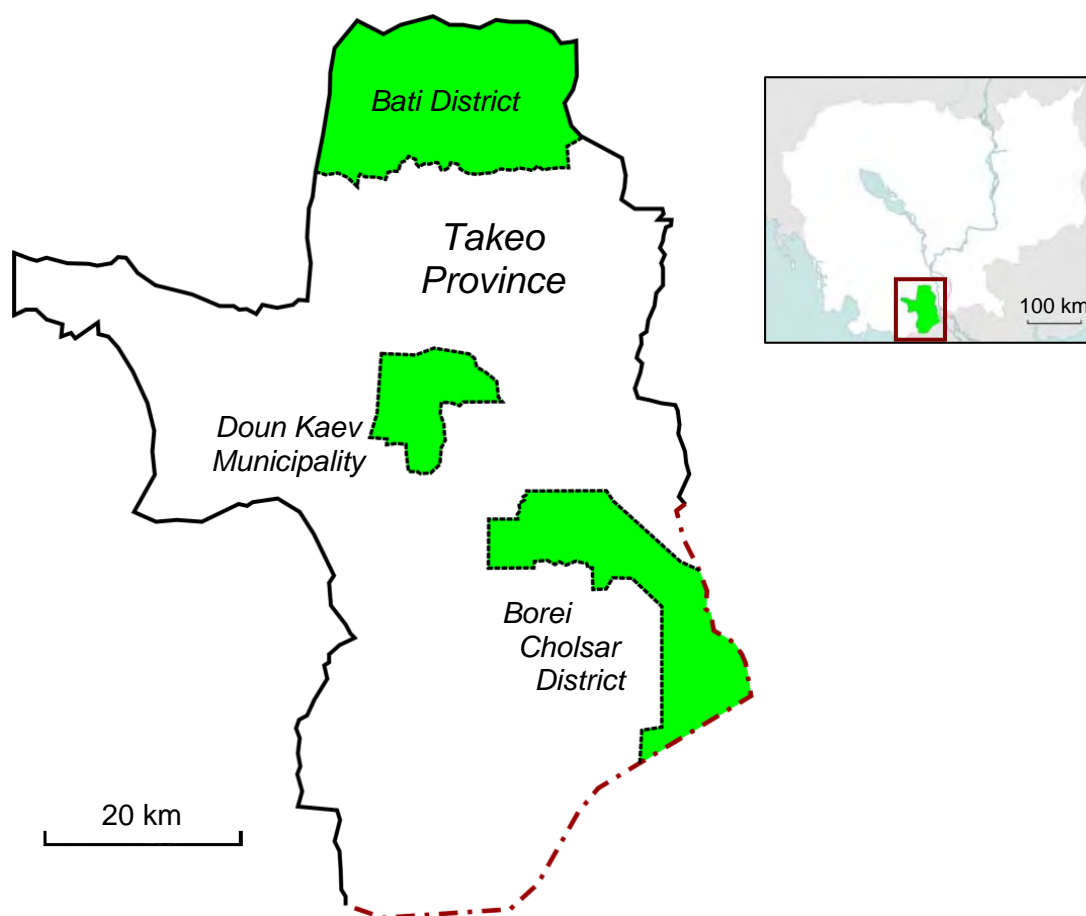
The pilot study confirmed the significance of (i) adequate human resources/ institutional capacity; and (ii) adequate budgets. This was in line with observations made elsewhere in Cambodia during the PPCR Phase 1 Component 2 target province seminars in September and October 2012. Funds are inadequate (for operation and maintenance, basic development needs, and climate proofing) at all levels, and particularly so at the district and commune levels. Some districts receive no funding whatsoever.

The district and commune levels of governance provide attractive potential entry points to CR/DRR mainstreaming. Today, efforts at these levels are limited due to lack of knowledge and information about CC implications; low institutional capacity; and inadequate funds. With the progress of the D&D programme, supported by NCDD, the sub-national levels will become more significant and will be able to contribute to CR/DRR mainstreaming in ways that are complementary to (and can interact with) the national level.

The process can be accelerated by training; provision of targeted guidelines/guidance documents (in preparation) suited for the sub-national context; and by coordinating environmental (EIA) screening and climate screening of proposed development initiatives.

VRAs appeared to be useful and practical vehicles for incorporating the CR/DRR perspective in the proposed development initiatives.

Location Map



English names of administrative units have been taken from Economic Census of Cambodia 2011, District and Commune Report, by National Institute of Statistics, Ministry of Planning (March 2012)

Acronyms and Abbreviations

CCCA	Cambodia Climate Change Alliance
CCTT	Climate Change Technical Team
CR	Climate resilience
CS	Commune/sangkat
DIW	District Integration Workshop
DM	District/municipality
DRR	Disaster risk reduction
EIA	Environmental impacts assessment
IP3	Three Year Implementation Plan (of the NP-SNDD)
IPCC	Inter-Governmental Panel on Climate Change
LGCC	Local Governments and Climate Change Project
LoCAL	Local Climate Adaptive Living Facility
MEF	Ministry of Economy and Finance
MOE	Ministry of Environment
MOI	Ministry of Interior
MOP	Ministry of Planning
MOWRAM	Ministry of Water Resources and Meteorology
MRD	Ministry of Rural Development
NAPA	National Adaptation Programme of Action
NCCC	National Climate Change Committee
NCDD	National Committee for Sub-National Democratic Development
NCDD-S	NCDD Secretariat
NGO	Non-governmental organization
NP-SNDD	National Programme for Sub-National Democratic Development
NSDP	National Strategic Development Plan
PIP	Public Investment Programme
PPCR	Pilot Program for Climate Resilience
RGC	Royal Government of Cambodia
UNCDF	United Nations Capital Development Fund
VRA	Vulnerability reduction assessment

About this Paper

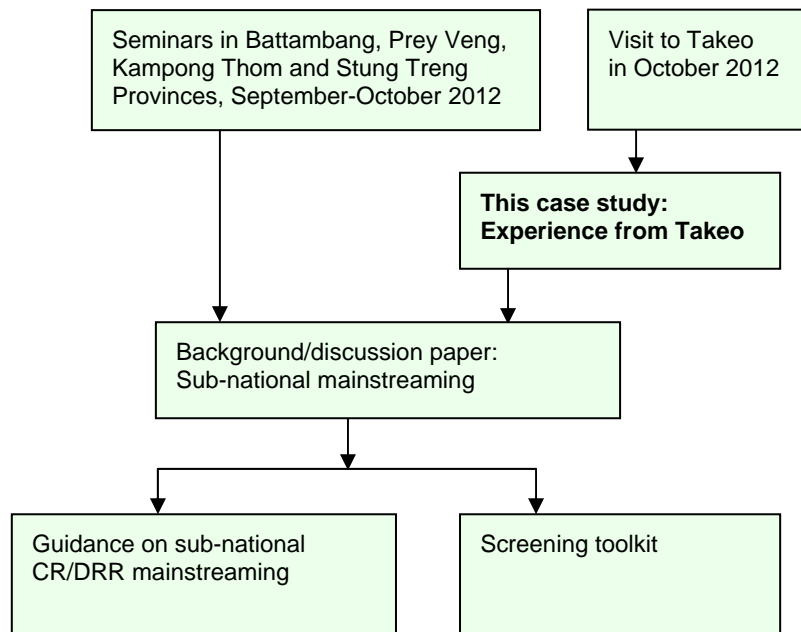
Background and Origin

Phase 1 of the Pilot Program for Climate Resilience (PPCR) is presently implemented by Ministry of Environment. Component 2 covers *'Mainstreaming of climate resilience into development planning at the sub-national level*. Among the specified outputs is Output 7: *'A case study related to climate proofing of investment projects'*.

The paper is one of a set of documents prepared under this component, as illustrated below.

Intended as a stand-alone document, it may contain some overlaps with related papers.

Figure 1: Context of This Paper



A 1st draft of the paper was submitted in December 2012. The present revised draft has been upgraded based on comments received, including feedback provided at the PPCR Review and Consolidation Workshop in Phnom Penh on 29-30 January 2013.

Objective

The paper describes recent pilot activities conducted by the Local Governments and Climate Change Project (LGCC), providing extraordinary examples of actual climate proofing of small, local infrastructural development projects. The observations made are intended as a part of the basis for subsequent guidance on climate resilience and disaster risk reduction mainstreaming at the sub-national level.

Target Readership

The paper is intended for practitioners who are involved (or have an interest) in climate implications of sub-national planning.

1 Introduction

One activity under PPCR Phase 1, Component 2, was a series of provincial seminars held in September and October 2012. The seminars had participation by the NCDD Secretariat, who shared their impressions from a recently conducted case study of climate proofing of infrastructure in Takeo Province. It was agreed to produce a small case study based on these pilot activities, in order to carry the experience forward to PPCR Component 2.

2 Background and Objective

Background

'Climate change (CC) represents a significant challenge for Cambodia. As outlined in several key analytical and official documents, such as Cambodia's most recent NSDP and NAPA, the impact of climate change across the country will vary greatly from place to place and will require strong adaptive capacity by its local governments. Research and emerging policy practice indicate that small-scale, practical measures under the mandates of local governments are key to developing climate change resilience. The current RGC's reform towards Sub-National Democratic Development (SNDD) provides a unique opportunity for mainstreaming CC at sub-national level.

A significant amount of resources earmarked for climate change is likely to be made available to Cambodian sub-national governments in the coming years. These resources will materialize in a context of an on-going effort towards decentralization and capacity development of such local administrations. The risk is that many of these sub-national administrations, especially the smallest, will be assigned resources that they are not able to absorb or to handle properly. In order to avoid this, it is critical to make sure that CC resilience to changing conditions is mainstreamed into sub-national planning and finance processes and that appropriate funding mechanisms are identified for local governments to act on climate change, in a way that is consistent with national strategies but also adapted to local circumstances'.¹

The LGCC project is one of few attempts to mainstream climate change resilience at the sub-national level by integrating climate change adaptation into sub-national development planning processes.

Trends

Sub-national governance in Cambodia is in a state of evolution, with a gradual transfer of responsibilities and authority from the national level to the provinces, districts and communes.

At the province level, the Governor's offices are gradually strengthened to play a more active role in sub-national administration. With their Technical Support Units, these offices provide guidance to the communes, along with the provincial departments of the various ministries. At the district level, the annual District Integration Workshop is developing into a consolidated platform for guidance and coordination of the commune-level planning.

1 NCDD (September 2011): Local Governments and Climate Change (LGCC), Project Document

D&D milestones ²

1998:	Law on Provincial and Municipal Budgets and Asset Management Regime
2001:	Law on Commune and Sangkat Administrative Management
2002:	Commune councils, directly elected for a 5-years period
2005:	Strategic Framework for Decentralization and De-Concentration Reforms
2008:	Organic Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans
2008:	National Committee for Democratic Development of Sub-national Administrations
2009:	Province and district councils (indirectly elected by the commune councillors for 5 years)
2009:	Draft Law on Financial Regime and State Property Management for Sub-national Administrations

Progress is steady, but is modified by lack of institutional capacity and inadequate funds for investments, operation and maintenance.

NCDD, UNCDF and LGCC

The *National Committee for Democratic Development (NCDD)* was established by the 2008 Organic Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans (which also provided a platform for subsequent D&D reforms). NCDD, based in MOI, is leading the D&D process.

The *United Nations Capital Development Fund (UNCDF)* is the UN's capital investment agency. Established in 1966, UNCDF operates in the 40 least developed countries. UNCDF is involved in microcredit and in promotion of effective infrastructure investment and service delivery via decentralized public financial management. Among the activities are small investment grants designed to catalyze larger capital flows from the private sector, national governments and development partners.³

The *Local Governments and Climate Change Project (LGCC)* is implemented by NCDD. It aims at demonstrating the role that sub-national administrations can play in fostering climate change resilience. The project provides climate change adaptation investments in service delivery and a number of physical commune based projects in two districts and one municipality in Takeo Province. The project is designed to use government planning framework and financing pathways and thus represents a suitable case for mainstreaming climate resilience into development planning at sub-national level. Please refer to Appendix A for additional information about the LGCC.

Objective

The objective of this case study is to learn about the institutional implications and practicalities of climate proofing of investment projects at the sub-national level. This is done based on recent pilot activities conducted by UNCDF and NCDD in Takeo

2 Extracted from Niazi, T.H. (June 2011): Deconcentration and decentralization reforms in Cambodia: Recommendations for an institutional framework. Asian Development Bank

3 Source: The UNCDF website, www.uncdf.org

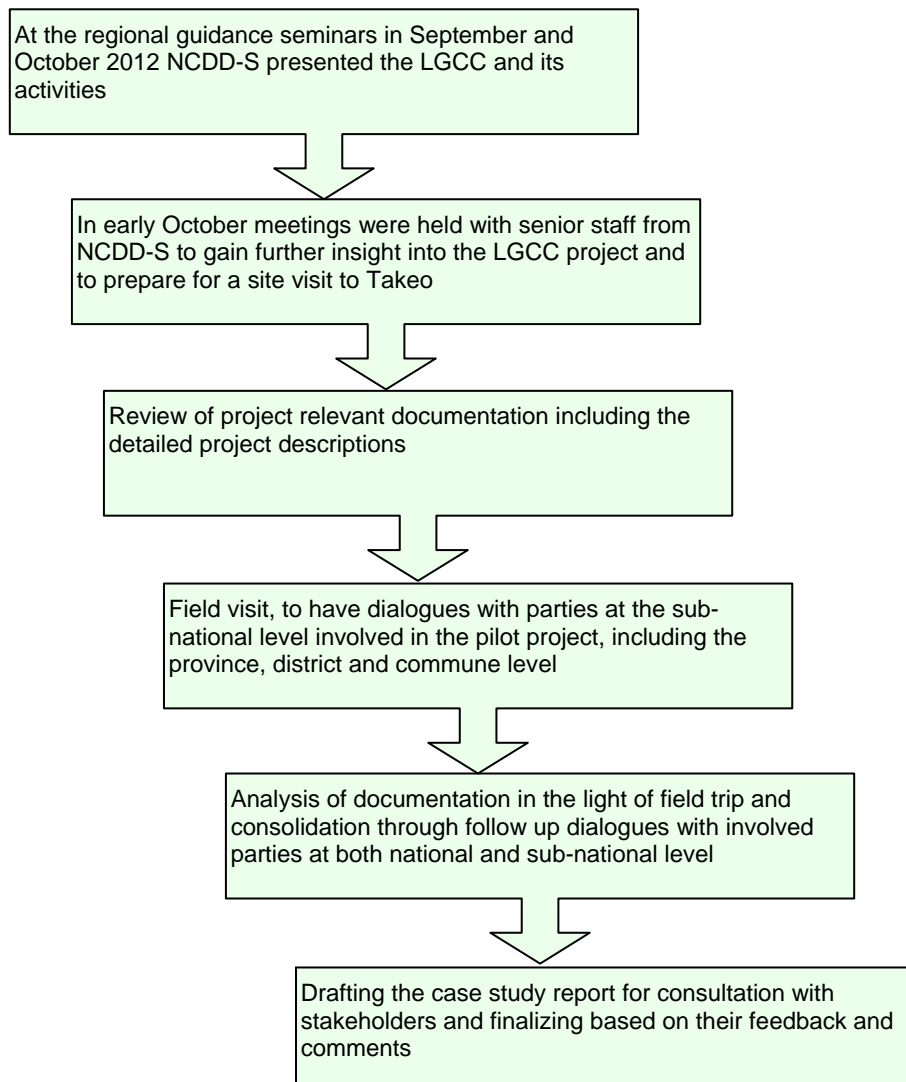
Province - an example of actual sub-national climate proofing of infrastructure in Cambodia.

The objective of the pilot activities is to demonstrate the key role that sub-national governments can play in fostering Cambodia's climate change resilience.⁴

Approach

The case study was carried out in several steps, as illustrated below.

Figure 2: Methodology



4 NCDDS (September 2011): Local Governments and Climate Change (LGCC) Project Document

*Figure 3: Consultation Meetings in October 2012:
Takeo District (left) and Bati District (right)*



3 Pilot Activities in Takeo Province

Overview

The LGCC project is implemented at the provincial, district and commune levels. At the provincial level it mainly focuses on data collection, trainings and meetings, with a budget of 5,000 USD. At the commune level, the focus is on infrastructure development, such as canal and rural rehabilitation and ponds for drinking water supply, with a budget of 115,000 USD. Within this budget, 10 infrastructure projects have been implemented in the target areas: 4 in Bati district, 3 in Borei Cholsar District, and another 3 in Doun Kaev Municipality.

The work was supported by draft guidelines (in preparation) and by a visionary, MDG-oriented '*Local Development Outlook for Takeo Province*' (March 2011).⁵

Figure 4: Canal Under Rehabilitation (Tnaot Commune)



5 Prepared by UNCDF in partnership with Takeo Provincial Administration and NCDD

Table 1: Outline of pilot projects

	Location		Type of project	Type of climate proofing	Budget	
	District	Commune			without climate proofing	including climate proofing
1	Bati	Krang Thnong	Canal rehabilitation (647 m) equipped with one culvert & laterite covering of dam	Erosion protection & reducing flood risk.	6,800	81,000
2		Lumpong	Pond rehabilitation (60 m x 34 m x 2 m)	Erosion protection & ensuring water availability for multiple purposes	1,350	3,350
3		Tnaot	Canal rehabilitation (1450 m) with three culverts	Drought prevention for rice cultivation	N/A	13,000
4		Tnaot	Pond rehabilitation (42 m x 42 m x 3 m)	Erosion protection & ensuring water availability for multiple purposes	N/A	5,100
5	Borei Cholsar	Borei Cholsar	Laterite road construction (1130 m) with one twin culvert	Reducing flood risk	N/A	26,205
6		Doung Khpos	2 twin culverts	Reducing flood risk	N/A	3,631
7		Kouk Pou	Earth road covering by white small stone (1,144 m) equipped with 2 0.6 m culverts	Reducing flood risk	N/A	24,000
8	Doun Kaev	Baray	Water blocking gate construction (two gates)	Reducing flood risk	N/A	13,200
9		Roka Khnong	Earth road covering by white small stone (940 m) equipped with one 0.8 m culvert	Reducing flood risk	N/A	12,500
10		Roka Krau	Sewerage releasing culvert (38 m)	Waste water discharge	N/A	7,000

English names of administrative units have been taken from Economic Census of Cambodia 2011, District and Commune Report, by National Institute of Statistics, Ministry of Planning (March 2012)

Approach

Several consultations were conducted at the provincial, district and commune levels in order to disseminate information about climate change to provincial and district officers and commune council members. Assessments were conducted (by a consultant) in the selected communes of target districts and municipality in order to

identify the vulnerable groups, the character of the vulnerability, and related options and challenges.

The findings were applied by the commune council members for recommendations on project proposals (jointly with the planning and budgeting committee (PBC) with its village representatives). Next, the proposed projects were reviewed at village-level consultations in order to accommodate the villagers' demands. Finally, a second commune consultation with commune council members and village PBC members was conducted with assistance by a technical support officer; and the project proposals were finalized.

During the process, the technical support committees at the commune and district levels together with women's affairs' officers were main facilitators.

The following criteria were applied for selection:

- The proposed project must be picked from the 2012 commune investment programme
- The project has to be finished by the end of 2012;
- Most of beneficiaries must be vulnerable people (especially women and children)
- The proposed project must respond to climate change adaptation
- The project must be located in a vulnerable area.

The process did not interact with the ordinary annual investment programming (which, as it happened, had been completed shortly before the pilot activities).

Following the pilot implementation, Vulnerability Reduction Assessments (VRAs) were conducted in preparation for the subsequent (2013) commune development planning.

Vulnerability Reduction Assessment (VRA)

VRAs were piloted by the NAPA Follow-up Project *'Promoting Climate Resilient Water Resource Management and Agricultural Practices in Rural Cambodia'*.

VRA is a participatory tool developed by UNDP and the GEF Small Grants Programme (SGP). It enables farmers to articulate the climatic hazards that impact most negatively on their livelihoods, and to identify prioritized needs in reducing these vulnerabilities. VRA is also an important tool in monitoring and evaluation; it allows practitioners to assess the impact of their activities in reducing the climate change vulnerabilities by engaging the community and to get feedback on how the project activities are reducing the climate change risks and how this can be improved. Engagement with the project beneficiaries through VRA also empowers farmers to take ownership and control of the project activities at the grassroots level.

The VRA is conducted as a guided participatory process among the community representatives, aiming at understanding and awareness of

- CC vulnerability and impacts (negative and positive)
- CC adaptation: Opportunities and barriers

Source: CARDI, GEF and UNDP (November 2010): Listen to Villagers on Climate Change - Vulnerability Reduction Assessment (VRA)

4 Observations and Lessons Learnt

The pilot study confirmed the significance of (i) adequate human resources/ institutional capacity; and (ii) adequate budgets. This was in line with observations made elsewhere in Cambodia, during the PPCR Phase 1 Component 2 target province seminars in September and October 2012. Funds are inadequate (for operation and maintenance, basic development needs, and climate proofing) at all levels, and particularly so at the district and commune levels. Some districts receive no funding whatsoever.⁶

NCCD-S observes that *'there are serious shortages in the capacity of national and sub-national governments as well as private actors to cope with climate change. First, sectoral approaches tend to prevail: climate change is often seen as related to natural resources, agriculture and disasters risk management, with limited progress towards mainstreaming across sectors and scales. Second, sub-national authorities largely lack the awareness, power, resources and capacity to exercise the role they could play in CC adaptation and mitigation. Third, the role of the private sector and its relation with government actions in adaptation and mitigation remains unclear.'*⁷

Other observations may be summarised as follows:⁸

Entry Points to CR/DRR Mainstreaming

- The pilot activities confirmed an important potential for CR/DRR mainstreaming at the district and commune levels of administration.
- The VRA process appeared as a useful, practical and manageable entry point.
- There is a scope for coordination between climate screening and screening for EIA/Strategic EIA, as provided for in new legislation (in preparation). Such screenings should take place at an early stage of the planning cycle, where a scope remains for adaptation.
- Guidelines (in preparation, by MOP and NCDD) provide good entry points.
- The evolving D&D, still in its early stage, will require a continuous adaptation of CR/DRR mainstreaming efforts to activate new opportunities for sub-national mainstreaming.

The Planning Process

- Due to a synchronization issue, interaction with the ordinary investment programming was not tested; but the modalities are considered to be well suited for fitting into (and adding value to) the commune and district-level development and investment planning process.
- The project-level, investment-oriented perspective (as applied during the pilot activities) can interact positively with the strategic, visionary perspective, as introduced by the *'Local Development Outlook for Takeo Province'*.

6 See PPCR (October 2012): Target Province Seminars

7 NCCDS (September 2011): Local Governments and Climate Change (LGCC) Project Document

8 The observations are partly contributed by Julian Abrams during personal communication

- The sub-national planning must be consistent with the national planning, but has its own particular characteristics and potentials at the province, district and commune levels.
- Linkages are weak between the sub-national '*wish-list type*' development plans and the related (inadequate) investment programmes. The vertical integration/interaction works well between the commune and the district level, but is otherwise weak (and segregated by sectors, unlike the commune level planning).

Knowledge Base and Capacity-building

- The pilot activities generated a visible awareness among the sub-national decision makers and stakeholders of CC and DRR challenges and options, including infrastructure and livelihoods implications.
- Summaries and guidelines (like the VRA guidebook) are highly useful when prepared for the purpose and suited to the sub-national context.
- Training was provided during the work and was highly appreciated.

5 Conclusion

The district and commune levels of governance provide attractive potential entry points to CR/DRR mainstreaming. Today, efforts at these levels are limited due to lack of knowledge and information about CC implications; low institutional capacity; and inadequate funds. With the progress of the D&D programme, supported by NCDD, the sub-national levels will become more significant and will be able to contribute to CR/DRR mainstreaming in ways that are complementary to (and can interact with) the national level.

The process can be accelerated by training; provision of targeted guidelines (in preparation) suited for the sub-national context; and by coordinating environmental (EIA) screening and climate screening of proposed development initiatives.

Vulnerability reduction assessments (VRAs) appeared to be useful and practical vehicles for incorporating the CR/DRR perspective in the proposed development initiatives.

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Appendix A: The LGCC

This appendix provides an overview of the Local Governments and Climate Change (LGCC) Project. It has been chosen based on recommendations from NCDD-S in discussions at seminars in PPCR target provinces in September and October. The Project was found particularly relevant as a case for PPCR Component 2 as it aims at integrating climate change adaptation into sub-national development planning processes.

Background and justification for the LGCC Project

UNCDF has established the Local Climate Adaptive Facility (LoCAL) to support climate resilience at the local level. LoCAL connects to existing national intergovernmental fiscal transfer systems and supplements transfers to local governments with performance-based climate resilience grants, channeling adaptation finance to where it is needed most. The current phase of the project which runs from 2011 to 2013 is active in Bhutan, Cambodia and Solomon-Islands.

The decentralization reform in Cambodia offers an opportunity to support climate resilience at the sub-national level by integrating climate change considerations into local planning and management. Whereas the reform now provides a local planning framework and introduces a sub-national financing system there are serious shortages in the capacity to cope with climate change, in particular related to the lack of awareness, power, resources and capacity among sub-national authorities.

Addressing these challenges the Cambodia Climate Change Alliance has partnered with UNCDF through LoCAL in the Local Governments and Climate Change Project (LGCC), with NCDD-S as the implementing agency.

Project description

The LGCC project aims at demonstrating the key role that Sub-National Governments can play in fostering Cambodia's climate change resilience.

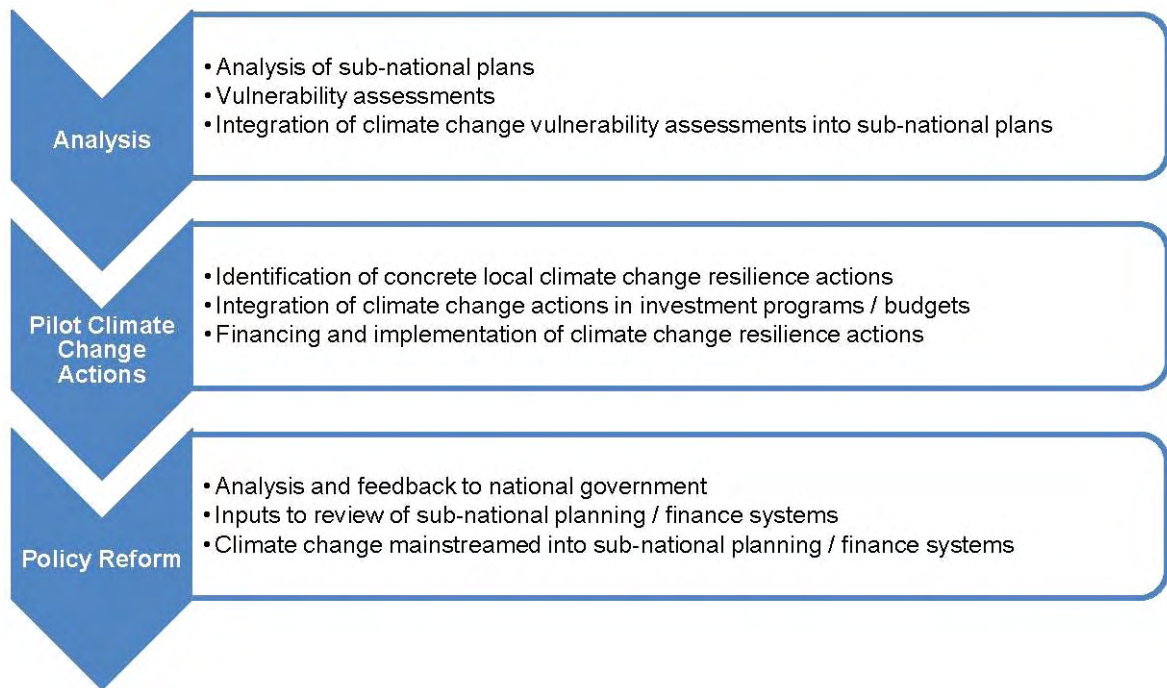
The demonstration is done through:

- Identification and piloting of concrete ways to mainstream climate resilience into sub-national planning; and
- piloting funding mechanisms to enable local governments to play a key role in promoting climate change resilience.

The project goes through three phases:

- 1 An analysis of sub-national plans examining to which extent they address resilience to climate change considering vulnerability assessment scaled down to local level.
- 2 Engagement with local authorities to (a) identify practical resilience and adaptation measures that can be undertaken under their mandate and with their resources and revise accordingly investment programs and annual budgets and (b) piloting top-up fiscal grants to support.
- 3 Documentation and analysis of experience gained to inform revisions of the sub-national planning and finance systems and to the National Program for Sub-national Democratic Development (NP-SNDD)

Figure 5: Key activities under the LGCC Project (from UNCDF (2011))



These phases will result in three outputs

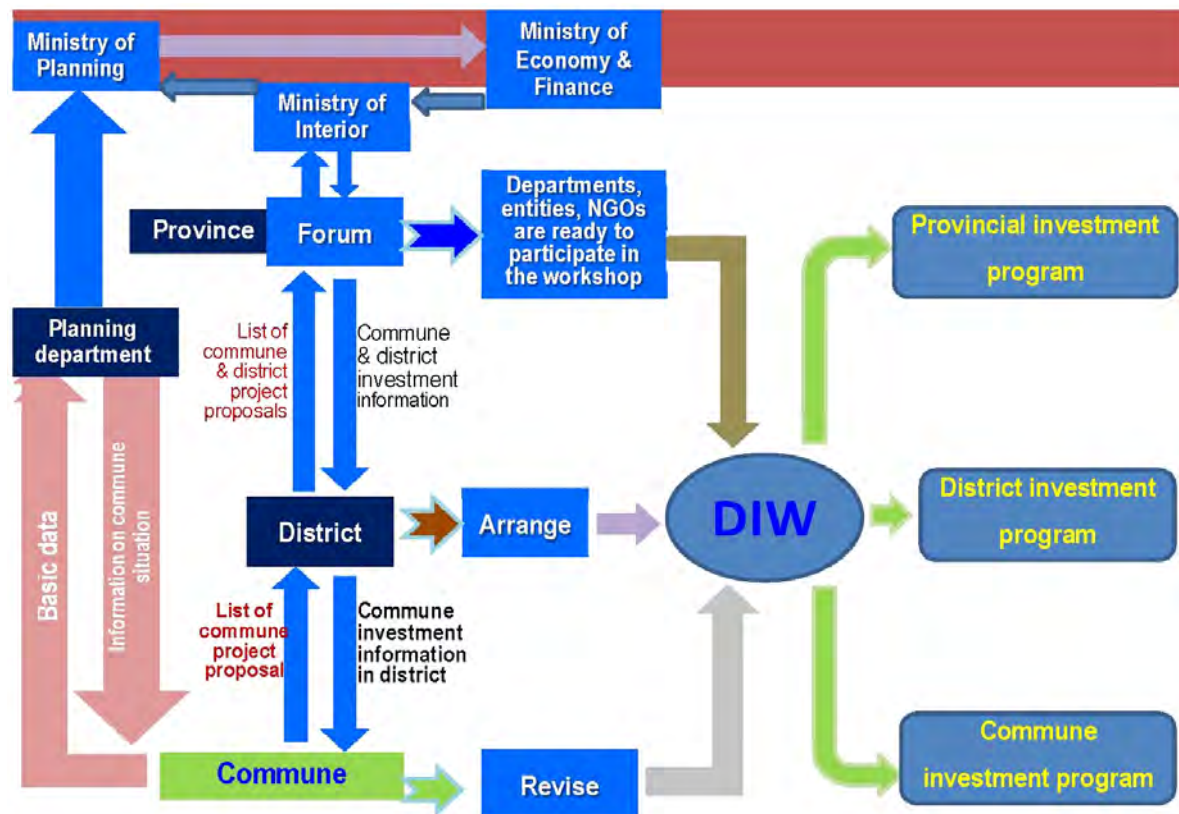
- Analysis of awareness to climate change at local levels and how this is expressed within Provincial, Municipal, District and Commune decision making, planning and budgeting processes, together with proposals for raising that awareness and identification of appropriate national and local partners for this.
- Design and operation of practical systems for mainstreaming climate resilience in a fiscally sustainable manner and within existing local government financing systems, including the piloting of fiscal grants that support climate resilience.
- Proposals for amendments to Sub-National planning Guidelines and entry points for climate change financing into Cambodia's nascent Sub-National Finance system, including advocacy at National level to disseminate and discuss the results of the project with National authorities and representatives from all Cambodian Provinces.

The LGCC project with a budget of 300,000 USD over two years initially focuses on sub-national planning in Takeo Province, while feeding back to the national level mainly through NCDD. It is implemented in Bati and Borei Cholsar districts and in Doun Kaev Municipality.

The project started in May, 2012 with financial support (120,000 USD) from the United Nation for Capital Development Fund (UNCDF).

Appendix B: Sub-national Planning and Budget Allocation

Figure 6: Planning Process and Budget Allocation



Source: NCDDDS presentation paper for PPCR component 1 & 2 provincial consultations, September-October, 2012

National planning process and budget allocation

Ministry of Planning (MOP) plays a main role, with responsibility to provide resource persons to facilitate and build the capacity of sector line ministries to develop their own development plan and operational plan. Each line ministry has its own planning office or department and planning team to develop its development plan and operational plan under MOP's guidance. Then, each ministry requires sending its own development plan to Ministry of Planning to combine them in to one development plan called "National development plan" together with the operational plan. Normally, the Ministry of Planning submits the plan around the end of November. The final step is the submission of these plans to Ministry of Economy and Finance (MEF).

MEF plays the important role of checking and verifying the proposed activities and budget against the available budget for the next year. Hereby, MEF discusses with each ministry (together with MOP) to verify the amount of proposed budget in order to reach a common agreement on the plan before submitting to the National Assembly and Senate. Normally, MEF submits the plan and the proposed budget to the Council of Ministers, National Assembly and Senate around end of November and December. After approval by the Council of Ministers, the National Assembly and the Senate, MEF allocates the budget. Then each ministry allocates the received budget to its provincial departments, including the district offices and the commune council office. However, Ministry of Interior (MOI) allocates the budget to the provincial governors' offices and the district governors' office, including the commune development fund.

National and sub-national planning

National

- 5-years sequential development plan; present one covers 2009-13 (synchronized with the mandate of the government)
- 3-years rolling Public Investment Plans (PIPs), revised annually

Province level

- 5-years sequential development plan; the present one covers 2011-15 (synchronized with the mandate of the government)
- 3-years rolling Public Investment Plans (PIPs), revised annually

District level

- 5-years sequential development plan
- 3-years rolling Public Investment Plans (PIPs), revised annually

Commune level

- 5-years sequential development plan; the present one covers 2008-12, synchronized with the mandates of the commune councils. A new plan will be prepared after the commune elections on 3 June 2012)
- 1-years rolling Public Investment Plans (PIPs), revised annually

The province level

Provinces prepare

- 5-years sequential development plans. The present ones cover 2011-15 (synchronized with the mandate of the government); and
- 3-years rolling Public Investment Programmes (PIPs), revised annually

The 5-years plans take around 3 months to prepare. The work is prepared by a technical drafting group (which also compiles basic planning data). It has representatives by relevant provincial departments. The plan is edited by a committee and is reviewed by another committee. All 3 committees are headed by the provincial governor.

The PIPs take around 1.5 months to prepare.

Communes and districts

Districts prepare

- 5-years sequential development plans; and
- 3-years rolling Public Investment Programmes (PIPs), revised annually.

Communes prepare

- 5-years sequential development plan; the present one covers 2008-12, synchronized with the mandates of the commune councils. A new plan will be prepared after the commune elections on 3 June 2012)
- 1-years rolling Public Investment Programmes (PIPs), revised annually

The commune planning process takes place as follows:

- 1 The commune council members together with technical support team from the district identify the issues and challenges for the commune.
- 2 The proposed issues and challenges require discussing with the villagers to get a common understanding reflecting their demands.
- 3 As the final step, the commune council members, with assistance from the technical support team, need to come up with their own commune development plan with

many project proposals, activities and budget. This process normally takes about 3 months (August-October).

After receiving all commune plans, the district administrative office conducts the *District Integration Workshop (DIW)*, normally at the end of October, to seek support from sector line departments, NGOs, donors and the private sector. This workshop is a one day event. Any project which does not get support during the workshop is moved to next year's planning.

On this basis, the commune and district investment programmes have been established, ready for implementation.