



# LoCAL Pilot Phase in Cambodia

FINAL ASSESSMENT



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*Cover photo:* Children playing near the plaque of newly built bridge in Battambang Province; photo © Cedric Jancloes/LoCAL-UNCDF

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# Acronyms

CCA	climate change adaptation
CCCA	Cambodia Climate Change Alliance
D&D	decentralization and de-concentration
DCRS	district climate resilience strategy
IP3	Three-Year Implementation Plan
LoCAL	Local Climate Adaptive Living Facility
LGCC	Local Governments and Climate Change
NAPA	National Adaptation Programme of Action for Climate Change
NCDD	National Committee for Sub-National Democratic Development
NCDDS	National Committee for Sub-National Democratic Development Secretariat
NP-SNDD	National Programme for Sub-National Democratic Development
PBCRG	performance-based climate resilience grant
SGP	Small Grants Programme
Sida	Swedish International Development Cooperation Agency
SNA	sub-national administration
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
VRA	vulnerability reduction assessment



# Executive summary

**T**his report pertains to the assessment of the Local Government and Climate Change (LGCC) Project, which is in the final year of its second phase (December 2012–December 2014). It takes stock of the progress of the planned project activities, examines the extent to which the project has built the capacity and awareness of local governments in the project areas for climate change adaptation (CCA) planning and mainstreaming and contributed to enhancing climate resilience of local communities, assesses the suitability and viability of the LGCC model, identifies key issues and lessons, and provides recommendations for onward project implementation and future project design.

The assessment is based on information elicited from three main sources: (i) desk review of secondary information; (ii) consultations with key informants through semi-structured interviews in groups or individually at the central, provincial, district/municipality, commune/*sangkat* and community levels; and (iii) site visits for visual observation of Local Climate Adaptive Living Facility (LoCAL) activities. A field mission was carried out from 28 July to 8 August 2014, followed by home-based writing of the report.

In collaboration with the United Nations Capital Development Fund (UNCDF), the National Committee for Sub-National Democratic Development Secretariat (NCDDDS) of the Ministry of Interior has been implementing the LGCC project since 2011. The project's first phase (December 2011–December 2012) was

funded by the Cambodia Climate Change Alliance Trust Fund and UNCDF; the second phase (ongoing, December 2012–December 2014) is funded by the Swedish International Development Cooperation Agency. The project was conceived with the following objective: 'To demonstrate the role of Local Governments in fostering climate change resilience and to identify practical ways to mainstream Climate Change Resilience into Sub-National planning and finance systems'. It is comprised of three key components: (i) increased awareness and capacity of sub-national governments for CCA planning and mainstreaming, (ii) planning and implementation of sub-projects through performance-based climate resilience grants (PBCRGs) for enhanced climate resilience of local communities, and (iii) strengthening of sub-national planning and fiscal systems for integration of CCA.

## **AWARENESS AND CAPACITY FOR CCA PLANNING AND MAINSTREAMING AT SUB-NATIONAL LEVELS**

For almost all of the sub-national government officials in areas where the LGCC project is active, it was their first direct experience of CCA planning and mainstreaming. The very fact that the project is the first of its kind – in terms of taking CCA planning and mainstreaming to the level of sub-national governments using existing sub-national planning, budgeting and fund transfer systems – accentuates its capacity

development value in the ongoing context of Cambodia's efforts to combat climate change and strengthen governance at sub-national levels. Interviews with officials in sub-national governments at various levels suggested that vulnerability reduction assessment (VRA) was the main tool that helped build their awareness and capacity for CCA planning and mainstreaming. In addition, CCA programming at the district/municipality level, participatory evaluation of CCA sub-project proposals and performance-based assessment and allocation of PBCRGs have contributed to better awareness among sub-national governments and local communities about the challenges posed by climate change, what needs to be done to address them and the role of local government in helping local communities adapt to climate change. Local stakeholders have a positive perception of the LGCC project and have generally shown a good degree of participation in CCA planning processes.

It was learned that formal capacity-building activities under the LGCC were intentionally limited and aimed to complement the general capacity development of the sub-national governments, which is the role of Sub-Programme II of the Three-Year Implementation Plan (IP3). Thus, LGCC capacity-building results are being pursued primarily through a learning-by-doing approach, using and reinforcing the general capacities of the sub-national administrations developed under the IP3 programme for the specific purpose of building climate change resilience through the incentives created by the performance-based grants. The key rationale was to demonstrate a planning and financing mechanism that can potentially be scaled up to all sub-national governments or to those most vulnerable to climate change without too much capacity development burden.

The effectiveness of the learning-by-doing approach was evident from the responses of the sub-national government officials, who expressed confidence in being able to carry out VRAs and use their results in integrating

CCA in investment plans with limited assistance from the project management team at the NCDDS after having received initial training and guidance from them.

Through training of trainers, the project has been able to strengthen the capacity of the NCDDS and the provincial administrations and to create a core group of resource persons within these institutions to guide, train and backstop planning and technical staff in the districts/municipalities and communes/*sangkats* in carrying out VRAs and using the results in mainstreaming CCA in investment plans.

While CCA planning capacity in sub-national governments in the project areas has improved, technical know-how in the various fields of CCA remains rudimentary at this stage. The sub-national governments outsourced technical services to the private sector due to limited in-house capacity, but generally found it difficult to locate CCA technical expertise in the private sector at sub-national levels.

## INVESTMENTS FOR BUILDING CLIMATE RESILIENCE OF LOCAL COMMUNITIES

At the core of the project is planning for, and disbursement of, PBCRGs to sub-national governments at district/municipality and commune/*sangkat* levels for investment in building the climate resilience of local communities. In 2013, 40 sub-projects were selected from 317 proposals from sub-national governments; in 2014, 84 sub-projects from 119 proposals were selected for PBCRGs. Projects were identified and selected through an extensive community-based planning process involving VRAs, CCA programming and participatory evaluation.

Interactions with sub-national government authorities and local communities clearly suggested that the general preference was to take up infrastructure sub-projects. Such investments were more visible, lent themselves well to the larger community, and their benefits can be quickly realized within the time frame of a short-term project such as the LGCC. On the other hand, technical services sub-projects take time to show results, and their probability for success is generally uncertain. A major gap the assessment team noted was the lack of clear linkages between the infrastructure sub-projects and the technical services sub-projects.

Of the 40 planned sub-projects in 2013, all but 2 of the infrastructure sub-projects were completed. The two remaining infrastructure sub-projects were to be implemented after the retreat of the monsoons and were expected to be completed in the first quarter of 2015. None of the planned technical services sub-projects, which were to be executed at the district/municipality level, had been implemented. This was because of the inability of the districts/municipalities to utilize PBCRG funds due to a lack of clarity as to the procedures for funds flow/disbursement from the provincial treasury to the districts. The financial procedures for districts/municipalities were in a state of flux due to the recent administrative restructuring of the districts/municipalities. Given this circumstance and the fact that the completed infrastructure investments were yet to experience the envisaged climate adversities, the assessment team was not able to determine in actual terms the climate resilience of the local communities as a result of the investments. Notwithstanding, based on observation of the investments at the project sites and interactions with sub-national government authorities and local communities, the assessment team discerned that the infrastructure sub-projects were highly relevant to the needs of local communities in the context of the livelihood challenges they faced from climate change and that the local communities were positive that the investments would prove their CCA benefits in due course.

## **SUITABILITY AND VIABILITY OF THE LGCC MODEL AND THE CCA PLANNING PROCESS**

At the upstream policy level and in general, the LGCC model – underpinned by the concept of mainstreaming CCA through planning and fiscal mechanisms at sub-national levels – is very suitable and corresponds well with the national policy reforms of decentralization and de-concentration and national and global initiatives to address the growing concern of climate change. The concept and approach of the PBCRG introduced by the project to incentivize better performing local governments in terms of CCA planning and utilization of grants stand out as innovative and sound. The concept/approach has generated interest among other development partners, as evidenced by the growth of the LGCC project from a one-year pilot to a second two-year phase with extended coverage to an additional province (Battambang) – and recently to a scale-up project extending to another new province (Preah Vihear).

For the viability of the model, persistent efforts over a longer time frame than the LGCC project currently allows are required to institutionalize the concept and approach as a practice (something that is normal to do) in sub-national planning and fiscal systems. Inter-agency coordination at the policy level as well as at the operational level is extremely crucial to ensure that the planning, fiscal and implementation systems can go hand in hand for full realization of the value and benefits of the LGCC model and its viability.

As to the VRA tool, sub-national government officials expressed no major challenges in its use. They were confident that they could now use it with minimal assistance from the NCDDS project team, having received initial training, guidance and backstopping from

them. They also suggested that most of their awareness and capacity for CCA planning and mainstreaming was accumulated through VRA use. While VRA value and utility are immense, a few issues emerged in interactions with sub-national government officials. These included the risk of creating process redundancy and ‘planning fatigue’ – particularly where VRAs were used separately by different projects/agencies outside the local development planning process – the challenge of mobilizing participation of local communities, and an increased level of community expectation generated by the high level of participation involved in the VRA.

## LESSONS LEARNED

Key lessons which can be drawn from the LGCC project include the following:

- Partnerships and coordination between different agencies are critical to success, particularly when dealing with a complex subject such as CCA.
- Infrastructure sub-projects are generally more appealing to sub-national governments and local communities as opposed to technical services sub-projects. The value and utility of technical services sub-projects can be enhanced by linking them to infrastructure sub-projects and integrating the two in a mutually reinforcing manner.
- Changing people’s attitude, behaviour and practices is complex, especially in the case of climate change because of the unpredictability of climate, lack of data, and the uncertainty of success of new technology and practices.
- The participation of sub-national governments and local communities is key to successful planning and implementation of CCA at the local level. However, caution must be exercised to prevent overburdening local stakeholders and creating ‘planning fatigue’ in them.

- Participatory planning may create community expectations beyond what a project can deliver; proper sensitization of local communities is crucial to mitigate this risk.
- When projects/development entities carry out separate VRAs to meet their own specific goals and needs outside the local development planning process, they risk making the VRA tool redundant and burdensome.
- An innovative and ambitious concept and approach like the PBCRG needs long-term policy support. To facilitate this, an institutional mechanism and knowledge resource management are required to feed field evidence into the policy-making process.
- Project implementation plans, including release of funds, need to fully consider local climate realities.

## RECOMMENDATIONS

### Implementation of ongoing project

- Coordinate and facilitate a high-level dialogue to resolve the issue of lack of clear procedures/guidelines for funds allocation/disbursement at the district/municipality level.
- Readjust the project workplan, including a new project conclusion date, in view of the delay in implementing sub-projects for building climate resilience of local communities and non-implementation of the technical services sub-projects.
- Review the existing VRA tool, project identification and prioritization process to determine if there are any superfluous steps that can be eliminated to make the process more efficient and less cumbersome.
- If permissible within the ongoing phase, re-appropriate some of the unused funds resulting from non-implementation of

technical services sub-projects to conduct some knowledge resource development studies to influence policy interventions. If this is not possible in the current phase, future project design should consider knowledge resource development studies to analyse and feed field results and evidences into policy making.

### **Future project design**

- Consider a longer time frame (four to five years) for future project design since CCA mainstreaming and institutionalization of PBCRGs into sub-national planning and fiscal systems will require an incremental and persistent approach.
- Consider local poverty incidence in combination with climate change vulnerability in the selection of future project areas.
- Link infrastructure sub-projects and technical services sub-projects for synergy and derivation of mutual benefits and value from the investments.
- Integrate institutional and knowledge resource management mechanisms to enable feeding of field experiences and results into the CCA and decentralization policy-making process.
- Take an incremental approach to PBCRGs with the aim of gradually shifting the extra climate-proofing costs of infrastructure from project funding to the sub-national budgeting and finance system.
- Apart from CCA planning capacity, design and include capacity development activities to improve the technical know-how of technical service providers at sub-national levels for guidance, monitoring and backstopping of field activities.
- Develop and integrate an exit strategy in future project design, articulating specific institutional and fiscal measures to sustain project interventions beyond the project period.



# 1 Introduction

## BACKGROUND AND PURPOSE

In partnership with the United Nations Capital Development Fund (UNCDF), Cambodia's National Committee for Sub-National Democratic Development Secretariat (NCDDS) in the Ministry of Interior is implementing the Local Governments and Climate Change (LGCC) project within the overall framework of national decentralization and de-concentration (D&D) reforms. The pilot phase of LGCC (LGCC-I) was implemented in 2011–2012; the second phase (LGCC-II) commenced December 2012 and was scheduled to conclude in December 2014. In addition to UNCDF support, funding for the pilot phase came from the Cambodia Climate Change Alliance (CCCA) Trust Fund; for the second phase, funding was provided by the Swedish International Development Cooperation Agency (Sida). More details on the project can be found in Chapter 2.

This assessment was carried out to:

- take stock of the LGCC project in the final year of its second phase as to what has been achieved against the planned targets for outcomes and outputs as expressed in the project's strategic results framework;
- examine to what extent the LGCC project has built the capacity and awareness of local governments in the target provinces, districts/municipalities and communes/*sangkats* for mainstreaming climate change adaptation (CCA) in planning and budgeting local investments and the contribution

made by LGCC investments in enhancing the climate resilience of local communities<sup>1</sup>;

- assess the suitability and viability of the LGCC model, encompassing performance-based climate resilience grants (PBCRGs) and vulnerability reduction assessment (VRA) among other things, for CCA by local governments; and
- identify key issues and lessons, and provide recommendations to guide the NCDDS and UNCDF in developing proposals for future funding of investments for enhancing climate resilience at the local level.

The assessment's terms of reference are appended as Annex 1.

## METHODOLOGY

The project assessment was carried out by a team of two consultants – an international team leader and a national team member – with expertise and experience in project evaluation and international development assistance. Logistical support and coordination for field visits and meetings with various project stakeholders were provided by the LGCC project team in the NCDDS, the UNCDF/ Local Climate Adaptive Living Facility (LoCAL) Country Project Office in Cambodia, and the LGCC project facilitators in Takeo and Battambang Provinces.

<sup>1</sup> A *sangkat* is the municipality's equivalent of a commune – i.e. while districts are made up of communes, municipalities are made up of *sangkats*.

The assessment is based on information from three main sources: (i) desk review of secondary information; (ii) consultations with key informants in group or individual semi-structured interviews at the central, provincial, district/municipality, commune/*sangkat* and community levels; and (iii) site visits for visual observation of LoCAL activities.

**Desk review of secondary information** included review of LGCC project documents, reports of project progress, PBCRG performance assessments, participatory evaluation of PBCRG proposals, written materials used for climate change vulnerability assessment and CCA planning, and national policies and strategies on climate change. The complete list of documents reviewed is appended as Annex 2.

**Consultations with key informants** comprised several tasks. The assessment commenced with a brief kick-off meeting with the LGCC project team members in the NCDDS and the UNCDF/LoCAL project office. Subsequently, the assessment team met and consulted with key officials in the Ministry of Environment; the National Adaptation Programme of Action for Climate Change (NAPA) Follow-up Project; the Ministry of Agriculture, Forestry and Fisheries; the United Nations Development Programme (UNDP) Country Office; and the UNDP–Global Environment Facility’s Small Grants Programme (SGP) before proceeding to the field. Upon

return from the field, the team had additional meetings with officials at the Embassy of Sweden and the CCCA.

**Field visits** were undertaken from 29 July to 7 August 2014 to consult with and interview local key informants at the provincial, district/municipality, commune/*sangkat* and community levels (see Annex 3). Visits to a selected number of LGCC investment sites were also made to visually assess the state of CCA investments and interact with beneficiaries at the sites to elicit insights and understanding on the utilization of LGCC resources and the benefits of the investments to the local communities.

Upon return from the field visits, a **debriefing session** was held on 8 August 2014, at which the consultants presented preliminary observations and findings to the NCDDS and the UNCDF team for the LGCC project and elicited initial feedback.

Regrettably, some key individuals at the central and local levels could not be met with during the assessment due to their engagement in other important events. Annex 4 provides the full list of people the team met with during the mission.

# 2 Programme context

## CLIMATE CHANGE IN CAMBODIA

Climate change represents a major challenge for sustainable development in Cambodia. As a least developed country with a high poverty rate of 19.8 per cent<sup>1</sup> and a predominantly agrarian economy influenced mainly by the hydrological behaviour of the Tonle Sap and Mekong River systems, Cambodia is highly vulnerable to climate change. In fact, some reports list Cambodia among the 10 most vulnerable nations to climate change.

While the exact trends and nature of climate change are difficult to predict due to limited data, Cambodia is expected to experience increased variation in and intensity of precipitation. Coastal communities and ecosystems will be affected by sea level rise. Low-lying areas will be increasingly prone to floods, while higher areas are likely to experience greater incidences of drought. Temperature rise and higher humidity may create conditions contributing to increased health risks for humans and exacerbate diseases in crops and livestock.

These changes will amplify and compound existing development challenges, stresses and problems. Successions and combinations of flooding and drought have already caused agricultural failures, economic losses and rural community impoverishment. Floods have had

particularly severe effects on agriculture, which is the mainstay of the rural economy. According to Cambodia's 2006 NAPA, 70 per cent of losses in rice production during 1998–2002 were due to floods, while 20 per cent resulted from droughts. The poor and marginalized populations are the worst affected given the sparse resources they have to respond to and recover from climate adversities.

Cambodia fully recognizes the issue of climate change and is committed to combat it, both at the global and national levels. It ratified the United Nations Framework Convention on Climate Change (UNFCCC) in December 1995 and acceded to the Kyoto Protocol in August 2002. As a party to the UNFCCC, Cambodia submitted its First National Communication to the convention in 2002; it prepared its NAPA in 2006, identifying immediate CCA priorities and leading to the design and implementation of adaptation projects with support from international development partners.

Concurrently, the institutional set-up for dealing with climate change has been strengthened, initially with the establishment of the Climate Change Office in June 2003 and then with its upgrade to the Climate Change Department in October 2009. The Royal Government of Cambodia has also established a National Climate Change Committee with representation from 20 government ministries and agencies, and a Climate Change Technical Team to support the committee.

<sup>1</sup> Source: UNDP Cambodia website (<http://www.kh.undp.org/content/cambodia/en/home/countryinfo/>).

## DECENTRALIZATION AND LOCAL GOVERNANCE

Since the first national elections in 1993 under the guidance and support of the United Nations, Cambodia has made tremendous headway economically as well as in terms of its governance. The improvement in the country's political and economic situation has enabled the Royal Government of Cambodia to undertake various institutional reforms. One of the major initiatives is the D&D reform, which formally began in 2002 with the national election of commune councils and the subsequent practice of participatory local development. Another major initiative is the establishment of a commune/*sangkat* fund, building on the country's experience with the UNCDF/Sida-supported Local Development Fund for small-scale infrastructure projects at the local level. This demand-driven financing mechanism was operational from 1997 to 2000 and transferred financing and decision-making responsibilities to lower levels of government.

The Strategic Framework for D&D Reform, which was adopted in June 2005, laid out the reform's key characteristics. It envisioned a unified sub-national administration (SNA) including an indirectly elected council and a centrally appointed board of governors at the district, municipality, *khan*, and capital and provincial levels. As stated in the framework, the reform's main objective is to create a sub-national governance system that will '...operate with transparency and accountability in order to promote local development and delivery of public services to meet the needs of citizens and contribute to poverty reduction within the respective territories'.

In May 2008, an Organic Law was proposed to, and approved by, the legislature. The National Committee for Sub-National Democratic Development (NCDD) was established by royal decree in December 2008 to coordinate and

lead implementation of the Organic Law. The NCDD is made up of 16 members and is chaired by the Minister of Interior with two deputy chairs, the Minister of Economy and Finance and the Minister of the Office of Council of Ministers. Other NCDD members are also high-ranking officials, primarily ministers and state secretaries; these include the Minister of Agriculture, Forestry and Fisheries and the Minister of Rural Development. The chair of the NCDD is also a member of the committee.

The Organic Law paved the way for the indirect election of district and provincial councils in May 2009, and for the process of developing the National Programme for Sub-National Democratic Development (NP-SNDD) – a process which was completed in early 2010. This document aims to provide a framework for implementing D&D reforms over a 10-year period.

In late 2010, the NCDD adopted the first Three-Year Implementation Plan (IP3) to further elaborate on NP-SNDD concepts, policies and strategies, and to detail a programme of reform for the first three years. The IP3 classified the current SNAs into regional and local entities. According to the IP3, the next step in D&D reform seeks to gradually transfer the bulk of service delivery responsibilities to the local administrations, while strengthening regional (provincial) capacity in planning and strategic investment, as well as providing support to local levels. For the period 2011–2013, the IP3 focuses on the establishment, governance, functioning and oversight of SNAs, starting with districts/municipalities; effective and efficient support and cooperation between districts/municipalities and communes/*sangkats* to further strengthen the capacity of communes/*sangkats*; capacity development of the capital and provinces; and completion and further development of the overall policy and regulatory framework.

The IP3 is executed by the NCDD through its Secretariat. It has six sub-programmes, each of which is implemented by different

entities, including the NCDDS, the Ministry of Interior, the State Secretariat for Civil Service, the Ministry of Economy and Finance, the Ministry of Planning and the National League of Commune/Sangkat Councils.

## LGCC PROJECT

UNCDF has provided support to decentralization and local development in Cambodia since 1996, most recently through its partnership with the NCDDS. Within its existing collaborative framework with the NCDDS, UNCDF – through LoCAL – is supporting the LGCC project in building the capacity of sub-national governments to plan and invest in enhancing the climate resilience of local communities. The LGCC project connects to existing national inter-governmental fiscal transfer systems and supplements capital grants to local governments with PBCRGs.

The LGCC project was piloted in Cambodia in 2011 in Bati and Borei Chulsar Districts and Daun Keo Municipality of Takeo Province with funds from the CCCA Trust Fund (see Box 2.1) and UNCDF.

The project's second phase (LGCC-II), funded by Sida, commenced in December 2012 and is scheduled to conclude in December 2014. LGCC-II continues to support Bati and Borei Chulsar Districts and Daun Keo Municipality in Takeo Province while extending its coverage to five additional districts – Bavel, Moung Russei, Ruhakiri, Sampov Loun and Thmar Koul – in Battambang Province.

The project is implemented by the NCDDS within the framework of the NP-SNDD, particularly corresponding with the IP3. UNCDF provides collaborative technical and coordination support through the UNCDF/LoCAL Cambodia Country Office and the UNCDF/LoCAL Regional Office based in Bangkok.

### BOX 2.1: Brief overview of the Cambodia Climate Change Alliance

The CCCA is a partnership initiative between the Royal Government of Cambodia and a number of international development partners. It facilitates a unified approach in developing the capacity of government ministries, line agencies and civil society organizations in addressing climate change and enabling them to implement priority climate change actions and build the climate resilience of local communities. The initiative is anchored in the Ministry of Environment. Current international development partners include the Governments of Denmark and Sweden, UNDP, the European Union and the Global Environment Facility's Least Developed Countries Fund. In its first batch of funding, the CCCA Trust Fund supported nine projects, including the pilot phase of the LGCC project.

The LGCC model was conceived to provide an expeditious and effective means to channel CCA funds through the existing sub-national funds transfer system to the local level where they are most needed, while ensuring ownership, accountability and results through participatory planning and the PBCRG system. It was designed with a specific set of objectives, outcomes and outputs, as described below and detailed in Annex 5.

#### Project objective

The objective of the LGCC project is to 'demonstrate the role of Local Governments in fostering climate change resilience and to identify practical ways to mainstream Climate Change Resilience into Sub-National planning and finance systems'.

#### Project outcomes and outputs

The project has three outcomes with associated outputs as stated below.

**Outcome 1:** Increased awareness of climate change and potential adaptation and resilience building responses among sub-national governments and local communities. The direct output associated with this outcome is:

- Integration of cross-sectoral, analysis-based strategies for building climate change resilience in sub-national plans and investment programmes in 2 provinces, 8 districts/municipalities and at least 30 communes/*sangkats*.

**Outcome 2:** Systems and procedures for mainstreaming climate change resilience within sub-national government public expenditure management systems in a fiscally sustainable manner are proven and available for scaling up. The output associated with this outcome is:

- Sub-projects responding to climate change resilience strategies are executed through the sub-national public expenditure management systems in 8 districts/municipalities and at least 20 communes/*sangkats* in two annual budget cycles.

**Outcome 3:** National guidelines for sub-national public expenditure management facilitate mainstreaming of climate change resilience, particularly through cooperative action between district/municipal and commune/*sangkat* councils and administrations. The associated output is:

- National guidelines for sub-national planning, investment programming, medium-term expenditure framework and annual budget plan adapted to facilitate integrated, cross-sectoral strategies for climate change resilience implemented jointly by district/municipal and commune/*sangkat* councils and administrations.

# 3 Findings

## PROJECT DESIGN, RELEVANCE AND COHERENCE

Implemented by the NCDDS, the LGCC project has been designed to operate in close integration with the IP3 and within the overall framework of D&D reforms. The project objective is to demonstrate the role of local governments in fostering climate change resilience and identify practical ways to mainstream climate change resilience into sub-national-level planning and investment systems. Extending from a pilot phase in 2011/2012 to a second two-year phase beginning in December 2012, the project seeks to consolidate the initiatives of enhancing local climate resilience through PBCRGs piloted in two districts and one municipality of Takeo Province while extending sub-national CCA capacity development support and PBCRGs to five additional districts in Battambang Province.

The project supports the achievement of Cambodia Millennium Development Goals 1 (reduce extreme poverty and hunger) and 7 (ensure environmental sustainability). Within the United Nations Development Assistance Framework (UNDAF) 2011–2015, the project will specifically contribute to UNDAF Outcome I (economic growth and sustainable development: by 2015, more people in Cambodia benefit from, and participate in, increasingly equitable, green, diversified economic growth) and UNDAF Outcome IV (governance: by 2015, national and sub-national institutions are more accountable

and responsive to the needs and rights of all Cambodian citizens).

LGCC project objectives are highly relevant to the Royal Government of Cambodia's policies for poverty reduction as set out in the Rectangular Strategy Phase III (2014–2018) and the National Strategic Development Plan (2014–2018). The project has interventions in three strategic growth angles; namely (i) enhancement of the agricultural sector, (ii) continued rehabilitation and construction of physical infrastructure and (iii) capacity building and human resource development. By working with provincial, district, commune and village institutions, the project supports the policy of decentralization.

The LGCC project also corresponds significantly with the recently approved Cambodia Climate Change Strategic Plan 2014–2023. It will particularly contribute to Strategic Objective 1 (promote climate resilience through improving food, water and energy security), Strategic Objective 2 (reduce sectoral, regional, gender vulnerability and health risks to climate change impacts), Strategic Objective 5 (improve capacities, knowledge and awareness for climate change responses) and Strategic Objective 6 (promote adaptive social protection and participatory approaches in reducing loss and damage due to climate change).

The assessment team found the project to be well designed, particularly in terms of strategically targeting sub-national governments for mainstreaming CCA and

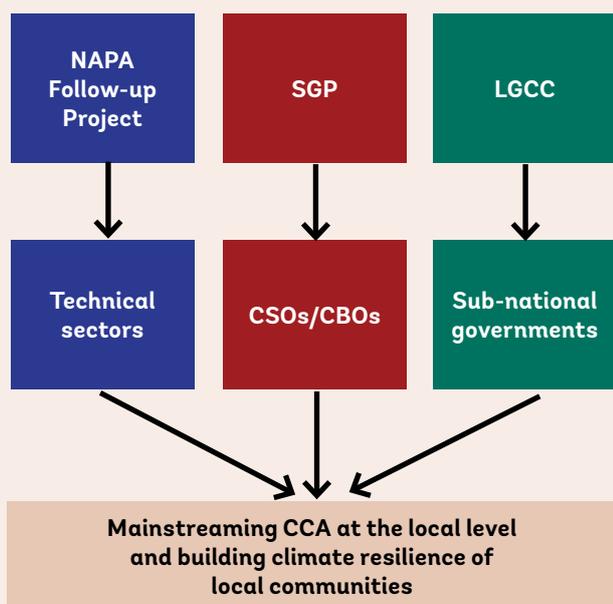
supporting them in building the climate resilience of local communities. The LGCC project provided almost all the sub-national governments in the project target areas with their first experience in CCA planning and mainstreaming.

A three-pronged approach has evolved through the various initiatives addressing climate change in Cambodia (Figure 3.1). The first approach works with technical sectors, as manifested by the NAPA Follow-up Project which is managed by the Ministry of Agriculture, Forestry and Fisheries and focuses on technical interventions in the water resource and agricultural sectors. The second approach works with local civil society organizations and community-based organizations, as done by the SGP; the third works with sub-national government authorities, as is the case with the LoCAL LGCC project. The LGCC project can be said to have found a unique niche in that it works directly with sub-national governments

in CCA planning and mainstreaming using a decentralized planning and funds transfer system – an approach no other climate change projects in Cambodia have undertaken so far.

In terms of geographic coverage, the project is active in Battambang and Takeo Provinces. These two provinces, along with Preah Vihear, are the most climate change-vulnerable provinces in the country, according to the 2006 NAPA. The assessment team notes that, in selecting provinces/districts for future project participation, local poverty incidence needs to be taken into account along with climate change vulnerability. This is in accordance with the premise that poor and marginalized communities are most vulnerable to climate change impacts as they are extremely under-resourced to respond to, and recover from, climate adversities and are consequently disproportionately more affected by climate disasters.

FIGURE 3.1: **Complementarity of CCA approaches**



NOTE: CBO =community-based organization; CSO = civil society organization.

## PROJECT PROGRESS BY OUTCOMES AND OUTPUTS

Overall project progress can be rated as satisfactory. All the planned activities for Outcome 1/Output 1 and Outcome 3/Output 3 have been implemented, albeit with slight changes and delays. However, implementation progress of sub-projects under Outcome 2/Output 2 is mixed. While all but two sub-projects for 2013 planned at the commune/*sangkat* level have been completed, none of those planned at the district/municipality level have been implemented. This was due to the lack of a clear system and set of procedures for funds allocation, disbursement, management and reporting at the district/municipality level. It should be noted that, while the current system of communes/*sangkats* has been in place for a long time, the districts were administratively restructured in 2013; consequently, district-level financial guidelines and procedures were in a state of flux. This

situation represents the most significant barrier to project progress and requires the urgent attention of the relevant government ministries/agencies to resolve it expeditiously, so further ramifications can be avoided.

Project progress by outcomes and outputs is outlined below.

### Outcome 1

Increased awareness of climate change and potential adaptation and resilience building responses among sub-national governments and local communities.

#### Planned targets/activities:

Two provinces and eight districts/municipalities have prepared cross-sectoral CCA strategies and integrated them in sub-national development plans by 2013.

#### Progress status:

VRA and CCA strategy workshops have been conducted in the target districts/municipalities of Takeo and Battambang Provinces. These included coverage of 13 communes/*sangkats* in the three target districts/municipalities of Takeo Province and 15 communes in the five target districts of Battambang Province. The results of the VRAs have been used in the formulation of district climate resilience strategies (DCRSs) and in the development of commune investment plans. At the provincial level, no cross-sectoral CCA strategies were prepared although workshops were organized. Instead, the workshops were used to disseminate information on climate change, including the Cambodia Climate Change Strategic Plan, to aid development of DCRSs. It was clarified that it was never the intention of the project to produce CCA strategies at the provincial level. However, the project results framework specifically mentions them in this outcome and associated output. The project may revisit this deliverable and see if it can be addressed through end-of-the-project results.

### Output 1

Integration of cross-sectoral, analysis-based strategies for building climate change resilience in sub-national plans and investment programmes in 2 provinces, 8 districts/municipalities and at least 30 communes/*sangkats*.

#### Planned targets/activities:

- Start-up workshop in one additional province successfully completed by the third quarter of 2012
- Expansion workshop in Takeo Province including analysis of climate change in existing sub-national plans and investment programmes successfully completed by the third quarter of 2012
- VRAs carried out in selected areas of five new target districts/municipalities by the third quarter of 2012
- District-level workshops to develop CCA strategy in five additional districts/municipalities successfully completed by October 2012
- Province-level workshop to develop CCA strategy in an additional province successfully completed by November 2012
- Provincial, district and commune officials (equal numbers of men and women) participate in cross-provincial exchange visits and report on experiences to reflection workshops – Battambang visit to Takeo in 2013; Takeo visit to Battambang in 2014

#### Progress status:

- Workshops have been conducted as planned in Battambang Province (the additional province), and in all of its five target districts. The workshop results were used to provide an overall guiding framework for planning climate change resilience and adaptation investments at local levels.

- In Takeo Province, VRA and CCA strategy workshops have been conducted in all districts across the province, and the results have been used to develop DCRSs.
- VRAs were carried out in 13 communes/*sangkats* in the three target districts/ municipalities of Takeo Province and 15 communes in the five target districts of Battambang Province. The results of the VRAs were integrated in the commune/*sangkat* investment plans, which subsequently influenced the selection of sub-projects for CCA investments at the local level.
- DCRSs have been developed based on the results of the VRAs. The DCRSs were developed to identify the negative impacts of climate change on local communities, identify the most vulnerable people and places, identify actions that can build local resilience to climate change and set criteria for allocating funds to projects that build climate resilience.
- As noted earlier, provincial-level workshops were conducted but were not used for the development of a provincial CCA strategy. Instead, the workshops were directed towards dissemination of information and sensitization on climate change issues and CCA needs to guide districts in developing DCRSs.
- A cross-province visit from Battambang to Takeo has taken place, and one from Takeo to Battambang was expected to take place in late 2014; Battambang was not yet ready to host a visit due to delay in implementation of planned activities.

## Outcome 2

Systems and procedures for mainstreaming climate change resilience within sub-national government public expenditure management systems in a fiscally sustainable manner are proven and available for scaling up.

### Planned targets/activities:

- 25 per cent of discretionary budgets (community/*sangkat* budget, district/ municipal budget) in target districts/ municipalities allocated to projects responding to CCA strategies by 2013
- 50 per cent of PBCRGs funding projects responding to priorities identified by women's groups in VRAs

### Progress status:

- A quarter of the discretionary budget was allocated to CCA in accordance with the procedures laid out in the Memorandum of Understanding between the NCDDS and UNCDF.
- All PBCRGs were allocated according to the CCA priorities identified through the VRA, prioritization and participatory evaluation processes. In each selected commune, the VRA process was undertaken with three specific groups: men, women and local authorities. The CCA priorities resulting from the VRAs were generally similar across the three groups. Based on this information and field observations of CCA investments and interactions with local communities, it can be postulated with a high degree of certainty that more than 50 per cent of CCA priorities supported by PBCRGs responded to women's needs in conjunction with the needs of the community at large.

## Output 2

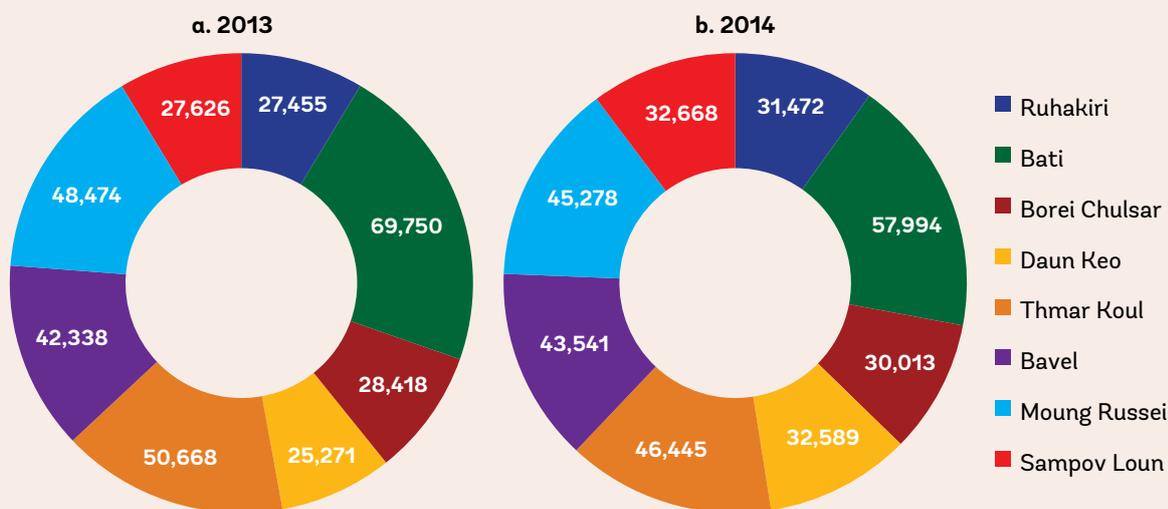
Sub-projects responding to climate change resilience strategies are executed through the sub-national public expenditure management systems in 8 target districts/municipalities and at least 20 communes/*sangkats* in two annual budget cycles.

### Planned targets/activities:

- Announcement of PBCRG amounts for eight districts/municipalities in October 2012 and October 2013; average amount of USD 40,000 per district/municipality per year

- The eight target districts/municipalities with participation of communes/*sangkats* identify candidate projects eligible for funding through PBCRGs in October 2012 and October 2013
  - Four additional districts allocate PBCRGs to eligible sub-projects at project identification workshops, with all workshops held and grants allocated by November 2012
  - Districts/municipalities allocate PBCRGs to eligible sub-projects through district/municipality integration workshops – three districts/municipalities in 2012 and eight in 2013
  - Districts/municipalities and commune/*sangkat* councils approve budgets reflecting PBCRGs as revenues and CCA sub-projects as expenditures – 8 districts/municipalities and at least 20 communes/*sangkats* in the first quarter of 2013 and of 2014
  - District/municipal and commune/*sangkat* administrations prepare CCA sub-projects to conform with climate-resilient standards – 8 districts/municipalities and at least 20 communes/*sangkats* complete project preparation by the second quarter of 2013 and of 2014
  - CCA sub-projects implemented, with project implementation to start the second quarter of 2012 and 2013 and to be completed by the end of the year
  - Backstopping and monitoring by the NCDDS and provincial administrations – at least two visits per quarter to each province and at least one visit per quarter to each district/municipality
  - Participatory monitoring and evaluation of CCA projects with active beneficiary participation – all sub-projects have participatory evaluation completed in the fourth quarter of 2012
- Progress status:**
- The announcements of the PBCRGs were made, albeit later than scheduled. For 2013, a total of USD 320,000 was allocated for PBCRGs: USD 123,439 to the three target districts/municipalities of Takeo Province, and USD 196,561 for the five target districts of Battambang Province. For 2014, a total of USD 320,000 in PBCRGs has been announced: USD 120,596 for the three target districts/municipalities of Takeo Province, and USD 199,404 for the five target districts of Battambang Province (Figure 3.2).
  - For 2013, 317 activities were proposed in the DCRSs of the two provinces, covering 10 sectors representing investments that included rural roads, irrigation, water supply, drainage, flood refuge, agriculture, water and hygiene, climate change awareness building, and other technical services and infrastructure. Of these, 40 sub-projects were approved: 27 infrastructure sub-projects and 13 technical services sub-projects. For 2014, 84 sub-projects have been approved: 35 infrastructure, 25 technical services and 24 administrative.
  - All sub-projects identified during the project identification workshop received the allocated PBCRGs, except those budgeted at the district/municipality level, since systems and procedures for funds delivery and disbursement at that level were in a state of flux following the district restructuring.
  - PBCRGs have been allocated to the targeted districts/municipalities as planned but not expended, for the same reason cited above.
  - As planned, 8 target districts/municipalities and 28 commune/*sangkat* councils have approved budgets reflecting PBCRGs as revenues. While PBCRGs for all but two (which are as yet unimplemented) CCA sub-projects for 2013 at the commune/*sangkat* level have been expended, PBCRGs for CCA sub-projects at the district/municipality level remain unexpended as noted above.

FIGURE 3.2: **PBCRG allocation share by district/municipality**



- All eight target districts have completed project identification workshops at which PBCRG amounts were allocated to the highest priority sub-projects proposed by the commune councils/district administrations. Project selection was based on criteria established in the DCRSs and with reference to climate change–resilient standards. However, not all CCA sub-projects may have conformed to climate-resilient standards. For instance, the flood refuge mound in Moung Russei District appears to fall short of climate-resilient standards.
- Implementation of CCA sub-projects was delayed due to an initial delay in transfer of funds and unfavourable climatic conditions as a result of monsoon onset by the time funds were secured by the sub-national governments. Consequently, most infrastructure sub-projects planned for 2013 were completed between May and July 2014. They are not yet officially closed, as they are still in the six-month contractor warranty period, in keeping with the Project Implementation Manual. None of the technical services sub-projects which were to be executed at the district/municipality level had been implemented due to non-transfer of funds from the provincial treasury to district accounts.
- Backstopping and monitoring are being provided regularly by the technical service staff in the provinces and districts, with overall guidance and support from the NCDSDS. However, district-level technical backstopping and monitoring are constrained by a lack of funds transferred for technical services to the districts.
- Participatory evaluations of projects implemented under LGCC-I funding in 2012 were carried out in March–April 2013. Three projects were evaluated in each district/municipality. While the technical quality of the infrastructure outputs was generally found to be acceptable, a number of points were raised for improvement. Local response was generally positive about the benefits obtained (or anticipated).

### Outcome 3

National guidelines for sub-national public expenditure management facilitate mainstreaming of climate change resilience, particularly through cooperative action between district/municipal and commune/*sangkat* councils and administrations.

#### Planned targets/activities:

- Sub-national planning guidelines of the Ministry of Planning adapted to include formulation of cross-sectoral CCA strategies
- Sub-national chart of accounts (of the Ministry of Economy and Finance) includes a code for revenues earmarked for CCA investments

#### Progress status:

- A core group on CCA mainstreaming has been established which is responsible for developing guidelines on mainstreaming CCA into sub-national planning; guideline development was initiated in mid-January 2013. The guidelines are to be aided by mainstreaming tools (VRA, community database, etc.), a clear financing framework, and a capacity development and dissemination programme to sub-national stakeholders. The assessment team noted that while this activity is adapting well within the NCDDDS system, it has yet to be integrated in the Ministry of Planning's national planning system and process.
- The code for revenues earmarked for CCA investments has been developed and included in the sub-national chart of accounts.

### Output 3

National guidelines for sub-national planning, investment programming, medium-term expenditure framework and annual budget plan adapted to facilitate integrated, cross-sectoral strategies for climate change resilience implemented jointly by district/

municipal and commune/*sangkat* councils and administrations.

#### Planned targets/activities:

- In-depth assessment of pilot results – assessment report on Phase I completed by the first quarter of 2013, and on Phase II completed by the second quarter of 2015
- Revised planning guidelines reflecting LGCC experience adopted in 2013, and financial management procedures reflected in design of 2013 sub-national investment facility
- Increased awareness of the role of local government in CCA through dissemination of evidence from pilots, with the LGCC team invited to make presentations at appropriate workshops and forums
- Cambodian officials participate in regional LoCAL events and report back on experiences

#### Progress status:

- This assessment is the first for the LGCC project. The project's first phase was partially assessed in the overall review of the pilot projects supported by the CCCA Trust Fund in 2012.
- The Guideline on Mainstreaming Climate Change into Sub-National Planning was initiated in mid-January 2013, with the establishment of a core group on CCA mainstreaming. It was agreed that the guidelines must be supported with mainstreaming tools (VRA, community database, etc.), a clear financing framework, and a capacity development and dissemination programme to subnational stakeholders. As noted, this activity is ongoing and adapting well within the NCDDDS system, but has not yet been integrated in the Ministry of Planning's national system for sub-national planning.

- The NCDDS team and local government officers have shared LGCC project results and experiences with other potential partners both within the government and the international donor community. Other institutional programmes, such as the SGP, have invited LGCC project team members and representatives from sub-national governments to their workshops to share the LGCC approach, experiences and results. Increased awareness of the project has contributed to the development of a new project to scale up the LGCC model, expanding it to a third province (Preah Vihear).

## AWARENESS OF AND CAPACITY FOR CCA PLANNING AND MAINSTREAMING AT SUB-NATIONAL LEVELS

The LGCC project has essentially focused on hands-on capacity development through introduction of CCA planning tools and support to sub-national governments to utilize these tools to identify climate change vulnerabilities, prioritize local CCA needs, and integrate them in the investment plans at the district/municipality and commune/*sangkat* levels. Interviews with officials in sub-national governments at various levels suggested that the VRA was the main tool that helped build their awareness and capacity for CCA planning and mainstreaming. Not surprisingly, given their longer experience with the project and exposure to the CCA planning and mainstreaming concept and processes, sub-national government officials in Takeo Province were more informed and confident about CCA planning and mainstreaming than their counterparts in Battambang Province.

For almost all of the sub-national government officials in areas where the project is active, the LGCC project was their first direct experience of

CCA planning and mainstreaming. The very fact that the project is the first of its kind in terms of taking CCA planning and mainstreaming to the sub-national government level using existing sub-national planning, budgeting and funds transfer systems emphasizes its capacity development value in the context of Cambodia's efforts to combat climate change and strengthen governance at sub-national levels.

In addition to the VRA, CCA programming at the district/municipality level, participatory evaluation of CCA sub-project proposals for PBCRGs, and performance-based assessment and allocation of PBCRGs also served as valuable awareness-building and capacity development processes. Specifically, they stimulated discussion and thinking of stakeholders at various sub-national levels about climate change, adaptation needs, and the rationale for integrating CCA in the planning and decision-making processes for local investments. These processes have contributed to better awareness among sub-national governments and local communities about the challenges posed by climate change, what needs to be done to address them and the role of local governments in helping local communities adapt to climate change.

The local stakeholders have a positive perception of the LGCC project and have generally shown a good degree of participation in CCA planning processes. However, the understanding and conviction of local communities in dealing with climate change issues tend to be largely on short- and medium-term adaptation measures. This is largely manifested in small-scale infrastructure sub-projects (rural roads, irrigation systems, flood refuge mounds, community ponds, etc.), rather than on long-term adaptation measures that require acquisition of new knowledge and skills to change livelihood practices – e.g. trial of new crop varieties with better resilience to drought or improved soil and water management practices. Such a shift in awareness and capacity will require more persistent capacity

development than the LGCC project time frame currently allows, as changes in attitude, behaviour and practices generally take time.

It was encouraging to note that the project was designed to integrate CCA in existing planning and project implementation procedures at sub-national levels. This creates hands-on learning conditions for sub-national governments to look at development investments through the lens of climate change and learn how to integrate CCA in these investment plans and their implementation. A case in point is the integration of CCA in the Project Implementation Manual which guides sub-national governments in implementation of infrastructure projects.

The LGCC project has built the capacity of sub-national governments primarily through a learning-by-doing approach. Formal capacity-building activities under both phases of the project have intentionally been kept limited and been designed to complement the general capacity development for sub-national governments of Sub-Programme II of the IP3. Thus, LGCC capacity-building results are being pursued primarily through a learning-by-doing approach, using and reinforcing the general capacities of the SNAs developed under the IP3 for the specific purpose of building climate change resilience through the incentives created by the performance-based grants. The key rationale was to demonstrate a planning and financing mechanism (performance-based grants) that can potentially be scaled up to all sub-national governments or to those most vulnerable to climate change without too much of a capacity development burden.

The effectiveness of a learning-by-doing approach was evident from the responses of sub-national government officials, who expressed confidence in being able to carry out VRAs and use their results in integrating CCA in investment plans with limited assistance from the project management team at the NCDD after receiving initial training and guidance from them. The capacity developed

through hands-on application by sub-national government officials improves the chances of institutionalization of the CCA planning approach and process in a way which could not have been achieved through formal training programmes alone. Furthermore, a project with an intensive focus on capacity-building activities with external funding assistance would not be a true representation of a scalable model.

The project has strengthened awareness and understanding of district councillors and administrators regarding the challenges of climate change and their role in CCA. All district governors met with during the assessment revealed that the LGCC project was their first direct involvement in CCA planning and mainstreaming. They were able to share and use their knowledge to develop strategies to build climate resilience and to identify projects that responded to those strategies. They learned specific skills in analysing local climate change challenges through VRAs and in mainstreaming climate change in local development plans.

While CCA planning capacity in sub-national governments in the project areas has improved, technical know-how in the various fields of CCA remains rudimentary at this stage. With the assistance of engineers contracted from the private sector, the sub-national governments have sought to ensure that the technical quality of the sub-projects meets required standards for climate resilience. However, it was difficult for the sub-national governments to find private sector engineers with adequate climate-proofing experience and expertise. This issue needs to be considered in future planning of capacity development. Technical staff, including the infrastructure advisors and engineers contracted from the private sector, will need to be trained in the concept, practices and techniques of climate-resilient infrastructure design and construction.

Through training of trainers, the project has been able to strengthen the capacity of the NCDDS and the provincial administrations and create a core group of resource persons within these institutions to guide, train and backstop planning and technical staff in the districts/municipalities and communes/*sangkats* to carry out VRAs and use the results in mainstreaming CCA in investment plans. It was learned from the sub-national governments that the mentoring and support from the NCDDS and UNCDF through regular field visits and communication played a crucial role in developing their confidence and skills for CCA planning, especially in the use of VRAs.

## INVESTMENTS FOR BUILDING LOCAL COMMUNITY CLIMATE RESILIENCE

At the core of the project is planning for, and disbursement of, PBCRGs to sub-national governments at the district/municipality and commune/*sangkat* levels for investments in building the climate resilience of local communities. In 2013, 40 sub-projects had been selected from among 317 proposals from sub-national governments; in 2014, 84 sub-projects from 119 proposals had been selected for PBCRGs. The sub-projects were identified and selected through an extensive community-based planning process involving VRAs and participatory evaluation.

In 2013, the investments were largely infrastructure-centric. In terms of the number of sub-projects, 70 per cent involved climate-proofing small-scale rural infrastructure (rural roads, irrigation systems, community ponds, flood refuge mounds, etc.), while 30 per cent were directed towards provision of technical services (training, awareness building, extension activities, etc.). Infrastructure sub-projects accounted for the vast majority (95 per cent) of the CCA investments.

A quick analysis of the list of sub-projects for 2014 reveals a noticeable shift in the investment share between infrastructure and technical services sub-projects. In 2014, infrastructure accounted for 42 per cent, and technical services and administrative services each accounted for 30 per cent, of the total number of sub-projects. In terms of funding, infrastructure sub-projects were allocated 59 per cent, technical services 24 per cent, and administrative services 17 per cent of total PBCRG funding. This difference in proportion is largely because the 2013 infrastructure sub-projects in Battambang Province were allotted PBCRG funding at 100 per cent of the cost, as the province was in its first year of the project; in 2014, PBCRG funding for infrastructure sub-projects in Battambang Province was brought down to 30 per cent of the cost – at a par with that of Takeo Province.

Interactions with sub-national government authorities and local communities clearly suggested that the general preference was to take up infrastructure sub-projects, as these investments were more visible, lent themselves well to the larger community, and the benefits can be quickly realized within the time frame of a short-term project such as the LGCC. On the other hand, technical services sub-projects take time to show results, and their probability of success is generally uncertain. It was therefore not surprising to observe that infrastructure sub-projects dominated LoCAL/LGCC's body of communication work, such as the sub-project stories on the website.

The assessment team was unable to draw a clear response from the local communities as to whether the CCA investments have improved their resilience to climate adversities. This uncertainty was understandable in that the infrastructure sub-projects for 2013 had only been recently completed (between May and July 2014) and had yet to experience the climate adversities to which they were intended to respond. Nonetheless, the local communities were positive about the CCA investments and very much believed that

these will alleviate problems caused by various climate change impacts. The assessment team observed moderate to strong ownership and commitment among the local beneficiaries interviewed. Most encouraging was the community of Knarthom Village (Komareachea Commune, Bati District, Takeo), which has invested the PBCRG to build a community pond to address a shortage of water for domestic use. With no outside influence, this community has formed a local water committee and mobilized funds from within the community to construct a wall-cum-barbed wire fence around the community pond, further enhancing the investment. It is likely that this community will evolve into a model that can be showcased by the project to catalyse local leadership and initiative for managing CCA investments in other communities.

As noted, of the 40 planned sub-projects in 2013 for enhancing climate resilience of local communities, only 26 infrastructure sub-projects had been completed, 2 infrastructure sub-projects were yet to be implemented, and none of the planned technical services sub-projects had been implemented due to the issue of funds disbursement/allocation at the district level. Given this circumstance and the fact that the completed infrastructure investments were yet to experience the envisaged climate adversities, the assessment team was not able to determine the actual climate resilience of the local communities as a result of the investments. Nonetheless, based on observation of the investments at the project sites and interactions with sub-national government authorities and local communities, the team found that the infrastructure sub-projects were highly relevant to the needs of local communities in the context of the livelihood challenges they faced from climate change and that the local communities were positive that the investments will prove their CCA benefits in due time.

A major gap the assessment team noted was that there were no clear linkages between the infrastructure and technical services sub-projects. For example, if an elevated rural road is built in a particular community, it would be useful to subsequently conduct community extension training on bio-engineering techniques to stabilize and bolster the sides of the road against erosion. Similarly, linkages can be fostered between irrigation systems and agricultural extension services through a more integrated and holistic planning process.

The NCDDDS has followed IP3 procedures and standard templates to verify and audit the infrastructures built with LGCC project resources. The technical departments and offices at sub-national levels have also been involved in quality assurance through provincial and district planning committees. However, the mechanisms and systems to link to these agencies for technical advice and support during and after project completion are not clearly defined.

## **SUITABILITY AND VIABILITY OF THE LGCC MODEL AND THE CCA PLANNING PROCESS**

At the upstream policy level, and in general, the LGCC model – underpinned by the concept of mainstreaming CCA through planning and fiscal mechanisms at sub-national levels – is highly suitable and corresponds well with national policy reforms of decentralization and de-concentration and national and global initiatives to address the growing concern of climate change. The PBCRG concept and approach introduced by the project to incentivize better performing local governments in terms of CCA planning and utilization of grants stand out as innovative and sound. They have generated interest among other development partners, as evidenced by the growth of the LGCC project from a one-year pilot phase to a second phase with two years,

extended coverage to an additional province (Battambang), and recently to a scale-up project extending to another new province (Preah Vihear). With the operationalization of the scale-up project, the LGCC model will be active in the three most climate change-vulnerable provinces identified in the 2006 NAPA.

Based on the foregoing, the assessment team considers the LGCC model very suitable for Cambodia. However, for the viability of the model, persistent efforts over a longer time frame than the LGCC project currently allows are required to institutionalize the concept and approach into a normal operating practice in the sub-national planning and fiscal system. Inter-agency coordination at both the policy and operational levels is crucial for the planning, fiscal and implementation systems to go hand in hand for full realization of the value and benefits of the LGCC model and its viability. For instance, in the case of this project, the non-flow of funds to districts has led to non-implementation of several sub-projects, thus negating the planning efforts and constraining delivery of technical services important for the quality of the investments. This eventually undermines the model's viability – not because the model is faulty, but because of bureaucratic constraints.

Regarding specific planning and fiscal tools, the assessment team noted that VRAs and PBCRGs were highly potent in strengthening CCA planning and mainstreaming at sub-national levels. It was understood that the VRA method actually originated in the SGP and that the LGCC project has basically used SGP experience to integrate VRA for CCA planning in its project areas. The LGCC project must be commended for exercising prudence through utilization of SGP experience and expertise in introducing and facilitating VRA use by sub-national governments. The VRA tool appears to be hands-on, and sub-national government officials noted no major challenges in its use. They were confident that they can use it with minimal assistance from the NCDDS project

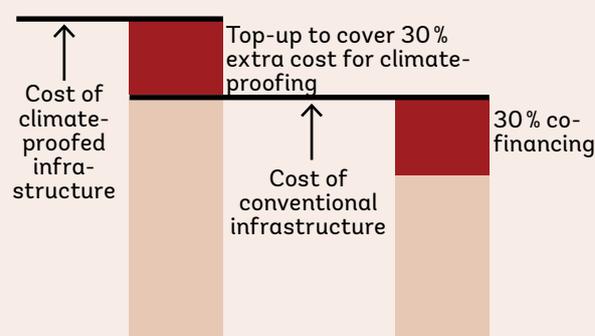
team, having received initial training, guidance and backstopping from them. They also suggested that most of their awareness and capacity for CCA planning and mainstreaming was built through VRA use. While VRA value and utility are immense, a few issues emerged from interactions with sub-national government officials. These are described below.

- In some communes where there were different international aid agencies working on climate change – such as in Kampung Krasang Commune in Borei Chulsar District, Takeo Province – the commune had to go through the VRA process a number of times depending on the various agencies' project objectives and target communities. Repetitive use made VRA cumbersome and a logistical/financial burden for the sub-national authorities and local communities.
- Mobilization of community participation in VRA was challenging for sub-national governments. This was particularly true for Battambang Province (bordering Thailand) because many of the local people, especially those young and able, went to Thailand for day labour work.
- The high level of participation required from local communities inadvertently raised expectations of the communes and local communities. When these expectations were not met or were only partially met (which is generally the case in the LGCC project, as it is based on a planning and prioritization process, resulting in funding of one to two sub-projects per commune per year), community interest and participation tended to diminish over time.
- Given its potential to demonstrate community participation, there is a risk of competitive use of VRA among various agencies to showcase it for reporting, advocacy and communications.

The PBCRG is a very potent tool for mainstreaming CCA in sub-national investment plans. The fundamental rationale is that CCA involves extra costs and that the PBCRGs allow sub-national governments to cover these costs since the conventional sub-national budgeting system is not equipped at this stage to cover the extra costs entailed in climate-proofing infrastructure. As a proxy, the LGCC project has applied 30 per cent extra costs for climate-proofing infrastructure sub-projects. Now the question is, how have the sub-national governments interpreted this 30 per cent that comes from the PBCRG? Have they seen it as top-up financing to cover extra climate-proofing costs or as co-financing to cover the financing gap due to limitations in the government budget at sub-national levels? The intent of the PBCRG is as a top-up and not as co-financing. To implement the PBCRG effectively, it is critical for planners and decision-makers in sub-national governments to understand this distinction (see Figure 3.3).

The integration of the extra costs for climate-proofing should be an incremental process over a number of years, gradually shifting the extra costs from externally funded projects to sub-national government budgets. For instance, if the 30 per cent extra climate-proofing cost is to be borne by the project in the first year, it could be reduced to 25 per cent in the second year with 5 per cent being borne by the sub-national government, and so on in successive years (see Table 3.1). This incremental approach of gradually shifting the extra costs of climate-proofing from the project to sub-national governments will be far more

FIGURE 3.3: **Top-up financing for climate-proofing versus co-financing for conventional infrastructure**



likely to sustain and internalize the process and to make climate-proof budgeting a normal responsibility of the sub-national government fiscal system.

## REPLICABILITY OF PBCRG PLANNING AND FINANCING SYSTEM

Field findings show that the LGCC project has very much facilitated target commune and district administrations to take active roles in CCA and to implement both CCA infrastructure and technical service projects successfully. LGCC target commune and district administrations in Takeo and Battambang Provinces have successfully taken up CCA

TABLE 3.1: **Example of incremental shift of 30% proxy extra cost of climate-proofing infrastructure from project to sub-national financing source (%)**

Cost-sharing source of the extra CCA cost	Year 1	Year 2	Year 3	Year 4	Year 5
Project	30	25	20	15	10
Sub-national government	0	5	10	15	20

priorities and integrated them in their planning processes. The CCA prioritization and decision-making process by these SNAs has been well initiated and highly participatory.

The LGCC has also been able to connect with other development partner/non-governmental organization projects (e.g. the NAPA Follow-up Project and the SGP) to gather lessons and experiences. Nevertheless, major obstacles remain in replicating these initiatives in non-target communes and districts, as well as in affecting national regulations. These issues/obstacles include the following.

- There is a huge mismatch between SNA plans and budgets, with SNAs being more concerned about the latter. Good plans formulated through a participatory process will not automatically convince SNAs to allocate their small and precious funding to extra-cost projects and/or more complex technical service projects.
- District administrations are still heavily under the influence of the national level, particularly regarding budget allocations. Furthermore, the allocation of scarce resources from district/municipality funding for technical services which are seen as a line department/ministry function without adding a line department/ministry budget has not been accepted by the districts.
- Despite the fact that the PBCRG promotes local initiatives and strives for better performance, there is still no recognition system that has been put in place by the NCDD or other ministries.

To tackle these obstacles, SNAs would like to see national ministries provide them with discretionary authority to oversee and manage resources in terms of technical staff and access to finance from relevant offices/ministries on CCA. Concrete actions requiring the attention of the national level include the following.

- There should be agreement on the SNA role in CCA.
- The PBCRG and injection of CCA funding for all SNAs should be formalized. It should be noted that the LGCC has a clear target for the government to take over the extra/injected funds for CCA projects. However, buy-in from central ministries has yet to materialize.
- CCA funding in the form of a conditional grant or via a sub-national investment facility could expedite replication of CCA local initiatives.
- CCA local initiatives should be captured and shared widely in the form of local government good practices.

## GENDER ANALYSIS

The LGCC project is committed to gender equality, empowerment and gender mainstreaming. A conflict analysis has been conducted when planning, analysing and formulating CCA strategies at the district/municipal level. Local gender analyses were conducted, and further gender and protection analyses were carried out for all CCA activities. In terms of calculating gender parity, both males and females used blanket targeting in the selected target districts and communes. Blanket targeting means the gender make-up of the population in the districts influences the gender parity picture. Equal opportunities were given to both men and women in the CCA planning and prioritization process, and VRAs were carried out with women's groups in all the communes.

The NCDD and UNCDF recognize that women face additional barriers in accessing and participating in CCA opportunities, and have integrated pro-women indicators in the project results framework to ensure that the project outcomes and outputs are pursued in a gender-responsive manner. In addition, LoCAL's gender mainstreaming strategy is to

routinely and pro-actively collect information on the gender sensitivity of the planning, budgeting and monitoring processes, as well as the implementation of CCA activities and to develop a monitoring mechanism which will ensure that participatory data collection approaches are used to facilitate and promote the participation of women and vulnerable groups. The LGCC has intensively promoted women's participation at all steps of CCA project implementation (provincial project orientation workshop, VRA training, VRA conduct, district CCA strategy workshop, project planning in community development and commune investment plans, project priorities and selection, project monitoring and evaluation).

It was observed that the CCA investments funded by PBCRGs in large part had strong relevance for women's well-being and livelihoods in conjunction with those of the larger community. Examples include community ponds that will offer significant relief to women, who are generally associated with collecting water, cooking and cleaning; improved rural roads that will improve women's and children's access to health and other public services; and flood refuge mounds that will provide safety to women and children who are physically most vulnerable during events of flood and who are generally sedentary due to women's housekeeping responsibilities.

## LESSONS LEARNED

Key lessons that can be drawn from the LGCC project include the following.

- Partnerships and coordination between different agencies are critical to success, particularly when dealing with a complex subject such as CCA. The vertical coordination and collaboration between the NCCDS and sub-national governments at various levels and the horizontal coordination with programmes/projects such as the SGP and the NAPA Follow-up
- Project foster complementarity in the development and use of knowledge and skills for CCA planning and mainstreaming. On the other hand, inadequate inter-institutional coordination regarding funds delivery/disbursement at the provincial/district levels has impeded project implementation and stands out as a major hindrance to project progress.
- Infrastructure sub-projects are generally more appealing to sub-national governments and local communities as opposed to technical services sub-projects. The value and utility of technical services sub-projects can be enhanced by linking them to infrastructure sub-projects and integrating the two in a mutually reinforcing manner. Currently, this linkage is lacking; consequently, the technical services sub-projects tend to be weak.
- Changing people's attitude, behaviour and practices is complex, especially in the case of climate change because of the unpredictability of climate, lack of data, and the uncertainty of success of new technology and practices.
- The participation of sub-national governments and local communities is key to successful planning and implementation of CCA at the local level. However, caution must be exercised to prevent overburdening local stakeholders and creating 'planning fatigue' in them. Trade-offs are needed between the participation and capacity of local stakeholders (especially in terms of the availability of time and funds).
- Participatory processes that intensively engage local communities can create high expectations among them. Proper sensitization of local communities on the rationale for and expected results of the participatory process and what the project can eventually deliver from the inception of interactions with local communities can mitigate this risk.

- VRAs become meaningful and viable insofar as they are used as part of the local development planning process and as a basis for various projects/development entities to respond to local CCA needs. When projects/development entities carry out separate VRAs to meet their own specific goals and needs outside the local development planning process, they risk making the VRA tool redundant and burdensome.
- An innovative and ambitious concept and approach like the PBCRG needs long-term policy support. To facilitate this, an institutional mechanism and knowledge resource management are required to feed field evidence into the policy-making process.
- Project implementation plans, including release of funds, need to fully consider local climate realities. This finding derives from the observation that the initial release of project funds was delayed. By the time the funds were received by the sub-national governments for CCA sub-projects in 2013, the monsoon had set in, making it difficult to implement the sub-projects.

# 4 Conclusions and Recommendations

## CONCLUSIONS

The LGCC project is strong in concept and approach, and operates in an increasingly enabling policy and institutional environment. This is a result of the Royal Government of Cambodia's drive to improve decentralized governance through D&D reforms and to address climate change challenges as a party to the UNFCCC and in keeping with its policy of sustainable development. The project has found a niche in that it is the first of its kind to take CCA planning and mainstreaming to the sub-national government level through integration into existing sub-national government planning and fiscal systems. In doing so, it complements two other major approaches to CCA: the departmental approach of working with technical sectors as manifested in the NAPA Follow-up Project; and the grassroots approach, such as that taken by the SGP, of working closely with local civil society organizations and community-based organizations to address climate change issues at the local level.

Overall project progress is satisfactory. Progress in CCA planning and capacity development through VRAs, DCRSs, project identification and prioritization, and participatory evaluation was particularly noteworthy. However, there is a major concern with implementation of the sub-projects planned for building climate resilience of local communities (Outcome 2/Output 2). None of the technical services sub-projects planned for 2013 to be executed at the district/municipality level have been implemented, as the district-level system and procedures

for funds disbursement/allocation were in a state of flux following the recent district restructuring. All but 2 of 26 infrastructure sub-projects have been completed only recently, between May and July 2014. The two remaining infrastructure sub-projects can be implemented only after the retreat of the monsoon, i.e. around November 2014. The sub-projects selected for PBCRGs in 2014 have been announced along with their budget allocation, but the funds have yet to be released to the sub-national governments. The existing status of project progress thus implies that project completion in December 2014 is most unlikely, and will have to be extended at least until June 2015.

The main positive findings from the project include execution of a learning-by-doing approach to foster a sustainable capacity development model; use of the VRA as a CCA planning and capacity development tool; overall good partnership and coordination between the NCDs and sub-national governments and with other programmes/projects such as the SGP and NAPA Follow-up Project; and dissemination of project experiences and results – which, among other things, has led to the development of the scale-up project extending the LGCC model to a third province (Preah Vihear).

Primary project deficiencies include lack of clear linkages between infrastructure sub-projects and technical services sub-projects, inadequate focus on improving technical

know-how of CCA at sub-national levels, weak funds delivery coordination at the district level, and lack of institutional and knowledge resource management mechanisms to feed field experiences and results into policy making.

## RECOMMENDATIONS

The assessment team offers the following recommendations.

### Implementation of ongoing project

- Coordinate and facilitate a high-level dialogue to resolve the issue of lack of clear procedures/guidelines for funds allocation/disbursement at the district/municipality level. This is extremely urgent, given that none of the technical services sub-projects planned for 2013 to be executed at the district level have been implemented; and in 2014, there are even more technical services sub-projects with larger project funds allocations earmarked for execution at the district level. This high-level dialogue should also focus on country-wide replication of the PBCRG system, building an SNA incentivizing system and promoting CCA local project initiatives.
  - Readjust the project workplan, including a new project conclusion date, in view of the delay in implementing sub-projects for building climate resilience of local communities and non-implementation of the technical services sub-projects.
  - Review the existing VRA tool, project identification and prioritization process to determine if there are any superfluous steps that can be eliminated to make the process more efficient and less cumbersome.
  - If permissible, re-appropriate some of the unused funds resulting from non-implementation of the technical services sub-projects to conduct some knowledge resource development studies to influence policy interventions. These may include a comprehensive comparative cost-benefit analysis of climate-resilient infrastructure vis-à-vis conventional infrastructure using economic, environmental and social parameters over the short, medium and long term. Using field evidence from both phases of the LGCC project, such an analysis may be very useful in demonstrating the concept and rationale of investing in climate-resilient infrastructure – and discredit the myth that climate-proofing is expensive and far beyond the means of developing/least developed countries.
- Another area of study could be to analyse and extract policy lessons and implications from the LGCC experience, and provide pointers and recommendations for policy-level interventions in strengthening integration of CCA and sub-national governance. If this is not possible in the current phase, it is recommended that in future project design, knowledge resource development studies should be considered to analyse and present field evidence to aid informed policy making.
- Form an inter-ministerial technical working group composed of a few CCA-relevant ministries, the Ministry of Economy and Finance and NCDDDS to guide and support LGCC implementation and resolve on-the-ground bottlenecks.
  - Build an alliance with similar initiatives on CCA and establish a knowledge hub at the NCDDDS or the Ministry of Environment to capture lessons and provide inputs for relevant policy development, particularly in rolling out the PBCRG system and possibly turning it into a CCA conditional grant or sub-national investment facility.

### Future project design

- Consider a longer time frame (four to five years) for future project design since CCA mainstreaming and institutionalization of PBCRGs into sub-national planning and fiscal systems will require an incremental and persistent approach.
- Consider local poverty incidence in combination with climate change vulnerability in selecting future project areas, based on the premise that the poor and marginalized are most vulnerable to climate change and disproportionately affected by its impacts.
- Link infrastructure sub-projects and technical services sub-projects for synergy and derivation of mutual benefits and value from the investments. This will add value to technical services sub-projects, which generally tend to be less appealing to local communities.
- Integrate institutional and knowledge resource management mechanisms to enable feeding of field experiences and results into the CCA and decentralization policy-making process. This is not only of relevance to Cambodia but also to other countries where similar initiatives are under way or in the pipeline.
- Take an incremental approach to PBCRGs with the aim of gradually shifting the extra climate-proofing costs of infrastructure from project funding to the sub-national budgeting and finance system.
- Apart from CCA planning capacity, design and include capacity development activities to improve the technical know-how of technical service providers at sub-national levels for guidance, monitoring and backstopping of field activities. These should be open to the private sector as well.
- Develop and integrate an exit strategy in future project design, articulating specific institutional and fiscal measures to sustain project interventions beyond the project period.



# Annexes



# ANNEX 1: TERMS OF REFERENCE

## General background

The Local Climate Adaptive Living Facility (LoCAL) is the United Nations Capital Development Fund's (UNCDF's) facility for investment in local-level climate resilience. The facility channels global adaptation finance to local governments – which are at the front line of dealing with the effects of climate change – and enables them to invest in building local resilience. LoCAL connects to existing national inter-governmental fiscal transfer systems and supplements capital grants to local governments with performance-based climate adaptation funding. This innovative financial mechanism references the performance-based grant system methodology developed by UNCDF, further refined to address local climate adaptation. The performance-based climate resilience grant (PBCRG) provides a fast and effective means to channel adaptation finance to where it is most needed, while at the same time ensuring ownership, accountability and results. The methodology is derived from UNCDF's specific experience in setting up such systems for effective capital investments and capacity building in sub-national governments.

Local Governments and Climate Change (LGCC) is the Cambodia country pilot of LoCAL. The LGCC is implemented by the National Committee for Sub-National Democratic Development Secretariat (NCDDS), within the framework of the National Programme for Sub-National Democratic Development (NP-SNDD). The first phase, LGCC-I, was financed by the Cambodia Climate Change Alliance Trust Fund and UNCDF. LGCC-I was implemented in two districts and one municipality of Takeo Province from November 2011 to March 2013. The second phase, LGCC-II, financed by the Swedish International Development Cooperation Agency (Sida) began in December 2012 and

is scheduled to end in December 2014. LGCC-II extends the coverage of the pilot to five districts in Battambang Province.

As noted, the LoCAL LGCC pilot will end in 2014. UNCDF is working with the NCDDS, Sida and other potential partners to determine how the methodology developed and lessons learned can be applied to future funding of investments for climate resilience at the sub-national level in Cambodia. Accordingly, UNCDF proposes to engage a consultant team to conduct a thorough independent review of the results achieved in both phases of the LGCC. The consultant team will consist of one international expert who will act as the team leader and one national expert. The review will be conducted during May 2014.

## Objectives of the assignment

The assessment will complement the project reporting and case study documentation carried out by UNCDF. Therefore, the focus of the in-depth assessment will be on achievement of strategic results and lessons learned, which are useful in the design of future activities. Therefore, the objectives of the in-depth assessment are:

- to verify progress of the LGCC towards the outcomes and objectives identified in the results framework for LGCC-II;
- to assess the contribution made by the LGCC-II investments to strengthening the climate resilience of local communities;
- to identify key lessons learned;
- to assess the viability of the LGCC model for scale-up within the context of the NP-SNDD, taking into account relevant factors including the availability of general-purpose fiscal transfers to sub-national

administrations (district/municipality fund and commune/*sangkat* fund) and specific climate resilience financing instruments; and

- to provide appropriate recommendations to guide UNCDF and the NCDs in developing proposals for future funding of investments for climate resilience at the sub-national level.

### Scope of work

The consultants will carry out the following activities:

- Through review of documents and discussions with stakeholders, achieve a thorough understanding of the purpose and context of the LGCC.
- Obtain, from current NCDs and UNCDF project staff, and evaluate the actual and projected (end-of-project status) project achievement as measured by the results framework indicators.
- Validate the results framework indicator values through site visits and stakeholder discussions including discussions with beneficiary communities.
- Assess the appropriateness and effectiveness of the planning tools used by the LGCC – in particular the vulnerability reduction assessment – and the district level in financing commune-level investments.
- Assess the appropriateness of the design of the PBCRGs, including eligible expenditures, allocation formula and the system of using sub-grants from the district level to finance commune-level investments.
- Assess the appropriateness and effectiveness of the LGCC sub-project selection process.
- Assess the contribution made by the LGCC sub-projects in developing climate-resilient communities.

- Assess the extent to which LGCC sub-projects specifically benefit women, the poor and other vulnerable groups.

- Assess the relevance of the LGCC model to the policy direction of the Royal Government of Cambodia as expressed in (i) the NP-SNDD and (ii) the Cambodia Climate Change Strategic Plan.

### Duration of assignment, duty station and expected places of travel

**Duration:** 1–30 June 2014 with a maximum of 20 working days (tentative) – later rescheduled to 28 July–12 September 2014.

#### Duty station and expected place of travel:

Home based with travel to and within Cambodia:

- 5 days home based
- 15-day mission in Cambodia

#### Expected places and dates of travel:

Place	Work days	Tentative period	Task
Phnom Penh	2	5–6 June 2014	Work with country team on pre-mission preparation
Takeo	5	9–13 June 2014	Carry out assessment in the field
Battambang	5	16–20 June 2014	
Phnom Penh	3	23–25 June 2014	Work with country team on post-mission findings

## Final products

The consultants will deliver the following outputs:

- By the end of the first week of the mission, an inception report including (i) a workplan for the remainder of the mission and (ii) an outline of the contents of the final report, for approval by UNCDF
- By the end of the third week of the mission, a presentation to UNCDF, the NCCDS and other stakeholders on the preliminary findings of the mission
- By the end of the fourth week of the mission, a complete draft report commenting on each of the issues identified in the scope of work, summarizing lessons learned and presenting recommendations for future action
- A final report, taking into account comments provided by UNCDF

## Provision of monitoring and progress controls

The assessment mission will be led by an international consultant with the support of a national consultant and will work in close coordination with the country team, Technical Coordinator (based in Cambodia), LoCAL Project Manager and Regional Technical Advisor (based in the UNCDF Regional Office for Asia-Pacific Region, Bangkok).

The consultants will report to the LoCAL Project Manager, UNCDF Regional Office for Asia-Pacific Region. Deliverables shall be submitted to the LoCAL Project Manager.

Payment will be made one time after the submission of products with a satisfactory rating by the supervisor.

## Degree of expertise and qualifications

The team leader will be an experienced international consultant with the following qualifications:

- Master's degree or higher in environment or a relevant discipline
- At least 10 years of experience in design, implementation and evaluation of international development projects, including at least 3 years' specific experience with climate change adaptation in a least developed country context
- Excellent communication and teamwork skills
- Demonstrated high standard of report writing in English
- Previous experience leading project evaluations
- Experience in Cambodia will be an asset

The national consultant will have the following qualifications:

- Master's degree or higher in environment or a relevant discipline
- At least five years of experience in design, implementation and evaluation of development projects in Cambodia
- Extensive experience in field research, including qualitative research and focus group discussions with rural Cambodians
- Knowledge of the context of decentralization reforms and sub-national planning in Cambodia
- Knowledge of climate change challenges facing Cambodia, and previous experience with climate change adaptation issues
- Fluent Khmer and strong English skills

## Review time required

Two weeks after the submission of the report with a satisfactory rating.

## ANNEX 2: DOCUMENTS REVIEWED

### LGCC documents

- LGCC, 'Guideline to Selection of Projects for Performance Based Climate Resilient Grant Funding', 2012.
- LGCC, 'Local Governments and Climate Change Report of Participatory Evaluation', 2013.
- LGCC, 'Participatory Evaluation Guideline of PBCR Grant Projects', 2012.
- LGCC-I, quarterly progress reports (Quarters 1–4), 2012.
- LGCC-II, draft quarterly reports (Quarters 1–4), 2012.
- LGCC-II, 'Annual Report', 2014.
- LGCC-II, 'Final Report on Performance Assessment System for Allocation of LGCC', 2012.
- LGCC-II, 'Local Governments and Climate Change Phase II – Final Revised LGCC Results Framework', 2012.
- LGCC-II, 'Local Governments and Climate Change (LGCC) Project Document – NCDDS in Partnership with UNCDF (NCDD-UNCDF)', 2011 (rev. 2012)/
- LGCC-II, 'Programming of LGCC-II', 2013.
- LGCC-II, project selection 2013 and 2014.
- Vulnerability reduction assessment reports 2012–2013 for 58 communes and three *sangkats*.
- Vulnerability Reduction Assessment Guideline 2.

### Other documents

- Ministry of Environment, 'Cambodia Climate Change Alliance Review of Pilot Projects', 2012.
- Ministry of Environment, 'Cambodia Climate Change Strategic Plan 2014–2023', 2014.
- Ministry of Environment, 'National Adaptation Programme of Action to Climate Change', 2006.
- Ministry of Planning, 'National Strategic Development Plan 2014–2018', 2014.
- Royal Government of Cambodia, 'Rectangular Strategy Phase III: 2014–2018', 2014.
- UN Cambodia, 'United Nations Development Assistant Framework (UNDAF) 2011–2015', 2010.

## ANNEX 3: FIELD MISSION ITINERARY

Date	Activity	Location	Participant
28 July 2014	Internal team meeting with UNCDF/ LGCC-II project team and national consultant	Phnom Penh	LGCC team and consultants
	Meeting with national project coordinator at NCDDS, Mol	Phnom Penh	Consultants
	Discussion between international and national consultants of other possible meetings	Phnom Penh	Consultants
	Meeting with Ngin Navireak, National Project Coordinator, SGP/ UNDP	Phnom Penh	Consultants
29 July	Discussion between international and national consultants of other possible meetings	Phnom Penh	Consultants
	Meeting with Sous Pinreak, National Project Advisor, NAPA Follow-up Project/UNDP	Phnom Penh	Consultants
	Meeting with Mr. Napoleon Navarro, Deputy country director, UNDP CO, fish bowl meeting room/building 5	Phnom Penh	Consultants
	Leaving to Takeo	Phnom Penh	LGCC team and consultants
<b>Takeo Province</b>			
30 July	Introductory meeting at the provincial level with group of relevant officials; Q&A	Takeo	<ul style="list-style-type: none"> <li>■ Mission and national teams</li> <li>■ Provincial project officers</li> <li>■ Members of the provincial advisory team</li> <li>■ Provincial programme management advisors</li> <li>■ Provincial infrastructure and financial advisors</li> </ul>
	Group meeting with relevant district officials, followed by key informant interviews with individuals at the district level	Daun Keo Municipality	<ul style="list-style-type: none"> <li>■ Mission team</li> <li>■ Governors or deputy governors of relevant districts and municipalities</li> <li>■ Administrative directors, advisors and finance/administrative officers of relevant districts and municipalities</li> <li>■ Members of district/municipal councils</li> <li>■ Members of district/municipal planning teams</li> </ul>
	Visit project site (road project)	Baray Sangkat	<ul style="list-style-type: none"> <li>■ Mission team</li> <li>■ Sangkat Council</li> <li>■ Beneficiaries</li> </ul>

Date	Activity	Location	Participant
31 July	Group meeting with relevant district officials, followed by key informant interviews with individuals at the district level	Borei Chulsar District	<ul style="list-style-type: none"> <li>■ Mission team</li> <li>■ Governors or deputy governors of relevant districts and municipalities</li> <li>■ Administrative directors, advisors and finance/administrative officers of relevant districts and municipalities</li> <li>■ Members of district/municipal councils</li> <li>■ Members of district/municipal planning teams</li> </ul>
31 July	Visit project site (flood-safe mount project)	Kampung Krasang Commune	<ul style="list-style-type: none"> <li>■ Mission team</li> <li>■ Commune Council</li> <li>■ Beneficiaries</li> </ul>
1 August	Group meeting with relevant district officials, followed by key informant interviews with individuals at the district level	Bati District	<ul style="list-style-type: none"> <li>■ Mission team</li> <li>■ Governors or deputy governors of relevant districts and municipalities</li> <li>■ Administrative directors, advisors and finance/administrative officers of relevant districts and municipalities</li> <li>■ Members of district/municipal councils</li> <li>■ Members of district/municipal planning teams</li> </ul>
	Visit project site (canal/community pond projects)	Communes	<ul style="list-style-type: none"> <li>■ Mission teams</li> <li>■ Commune council</li> <li>■ Beneficiaries</li> </ul>
<b>Battambang Province</b>			
3 August	Travel from Phnom Penh to Battambang		Mission team and national team
4 August	Introductory meeting at the provincial level with group of relevant officials; Q&A	Province	<ul style="list-style-type: none"> <li>■ Mission team and national team</li> <li>■ Provincial project officers</li> <li>■ Members of provincial advisory team</li> <li>■ Provincial programme management advisors</li> <li>■ Provincial infrastructure and financial advisors</li> </ul>
5 August	Group meeting with relevant district officials, followed by key informant interviews with individuals at the district level	Thmar Koul District	<ul style="list-style-type: none"> <li>■ Mission team</li> <li>■ Governors or deputy governors of relevant districts and municipalities</li> <li>■ Administrative directors, advisors and finance/administrative officers of relevant districts and municipalities</li> <li>■ Members of district/municipal councils</li> <li>■ Members of district/municipal planning teams</li> </ul>
	Visit Chroy Sdao water protection dam	Commune	<ul style="list-style-type: none"> <li>■ Mission teams</li> <li>■ Commune council</li> </ul>
	Visit project site (flood-safe mount/reservoir projects)	Communes	<ul style="list-style-type: none"> <li>■ Mission teams</li> <li>■ Commune council</li> <li>■ Beneficiaries</li> </ul>

Date	Activity	Location	Participant
7 August	Return to Phnom Penh		
8 August	Meeting with Eric Wallin, First Secretary, and Soma Dor, National Programme Officer, Environment and Climate Change, Embassy of Sweden	Phnom Penh	Consultants
	Meeting with Yem Sokha, CCCA Evaluation Manager		Consultants
	Debriefing on preliminary observations and findings	NCDDS	<ul style="list-style-type: none"> <li>■ Mission team</li> <li>■ LGCC-II team</li> <li>■ Relevant government officer</li> <li>■ LGCC international advisor</li> </ul>

## ANNEX 4: PEOPLE INTERVIEWED

### Takeo Province

Long Chenda, PCDA (OIC)

Touch Vuthy, PIA

Phum Phal, LGCC

Un Bun Chanrotha, SNC Scale-Up

Chea Chan, LGCC

Ban Sereyvuth, FU IP3

Meas Uy, PID

### Bati District

Ou Sokchea, Chair of District Council

Chhit Sovan, District Council Member

Pen Sen, District Council Member

Kim Veasna, District Council Member

Ream Vanvy, District Deputy Governor

Ouch Chheung, Chief of District Administration Office

Nget Srors, Chief of District Accounting Office

### Borei Chulsar District

You Bor Ann, Planning Team Member

Sorn Tha, District Advisor

Som Someth, Head of District Advisor

Ros Buntheun, Deputy District Chief

Siv Raksa, Chief of Administration

Ou Theun, Vice Chief of Commune Support Planning

Phum Phal, LGCC Takeo

### Kampung Krasang Commune, Borei Chulsar District

Ork Som Ul, Planning and Commune Support Officer

Hem Hean, Villager

Chhoun Kva, Villager

Un Sreypich, Villager

Hun Somaly, Chumtop 2 Commune

Kong Sovanntha, Deputy Village Chief, Kdol Jrum Village

San Sovanna, Smean, Kdol Jrum Village

Leng Chan, Community Committee, Kdol Jrum Village

Tum Beang, Community Committee, Kdol Jrum Village

Tith Samey, Villager, Kdol Jrum Village

Reach Soreun, Commune Chief

Sin Eng, Villager, Kdol Jrum Village

Chhoun Srei Nou, Student, Kdol Jrum Village

Som Kun, Commune Advisor

### Daun Keo Municipality

Chea Chan, LGCC, Takeo

Chou Chanthul, Vice Chief of City Administration Department

Chhun Sror, Chairperson of Council

Dum Kimsan, Deputy District Chief

Sok Kongkea Roth, Advisor

Som Sath, Vice Chief of Department

Prim Sary, Chief of industrial Department

Sin Yun, Chief of Environment Department

Rin Chea, Acting Chief of Agricultural Department

Nheb Sokhon, Chief of Planning Department, Municipal

Peth Horn, Advisor Council Member, Municipal

**Battambang Province**

Khem Yarin, PPMA

Puth Chamroeun, PFA Battambang

Khern Vireak, Financial Officer

Im Mith, LGCC-II

Vay Sokunthea, TSC

Oum Naram, TSC

Dy Pao, TSC

**Moung Russei District**

Lom Som, Chief of District

Hort Samnab, District Council Committee Member

Hor Kim Seurng, District Council Committee Member

Prum Borey, Deputy Chief of Administration Department

Heang Sophary, Chief of Commune Planning and Support Department

Beurn Sovann, Deputy Director of Administration District Office

Por Kim, Advocacy Officer for LGCC-II

Kheurng Cheurth

Nick Sang, Chief of Neak Tha Tvea Village

Tob Sokha, Deputy Chief of Neak Tha Tvea Village

Soth Eam, Commune Advisor

**Thmar Koul District**

Keo Propey, NCDDDS Department

Chum Socheat, Vice Chief NCDDDS

Por Kim, LGCC-II

Buon Saren, WCCC

Siem Phavy, DMA

Nok Sinon

Bou Sreynath

Pov Phearum

Som Neng

**Au Taki Commune, Thmar Koul District**

Bang Nab, Au Taki Village Chief

Kuch Samut, Chumtub

Pok Pun, Commune Advisor Council Member

Eung Sabou, Commune Advisor Council Member

**National Level**

Ny Kim San, UNCDDDS PMSD Director

Min Muny, NCDD Consultant

Sar Kosal, National Technical Specialist, UNCDF

Chum Socheat, Vice Chief, PMSD

Chea Vanda, Project Management Officer

Kong Chanthan, NCDDDS/NCCPA

Bith Chankhan, NPMO/NCDDDS

Keo Propey, OMSD/NCDDDS

Chea Vanny, UNCDF

Yem Sokha, CCCA Monitoring and Evaluation Officer

Eric Wallin, First Secretary, Swedish Embassy

Soma Dor, Senior Programme Officer, Swedish Embassy

Tin Ponlok, Secretary General, Ministry of Environment

Vong Makara, Monitoring and Evaluation Officer, UNDP

Suos Pinreak, Project Manager, NAPA Follow-up Project/UNDP, Ministry of Agriculture, Forestry, and Fisheries

Napoleon Navarro, Deputy Country Director, UNDP, UNDP Cambodia

## ANNEX 5: PROJECT RESULTS FRAMEWORK

**Project objective:** To demonstrate the role of local governments in fostering climate change resilience and to identify practical ways to mainstream climate change resilience into sub-national planning and finance systems. The entry points are provided by the recently introduced sub-national planning and sub-national finance systems.

Outcome/output	Indicator/activity	Baseline	Target	Source and means of verification	Assumptions/risks
Outcome 1: Increased awareness of climate change and potential adaptation and resilience building responses among sub-national governments and local communities	Explicit strategies for CCA included in sub-national development plans	Sub-national development plans prepared in 2011 mention climate change but do not include explicit, cross-sectoral adaptation strategies	2 provinces and 8 districts/municipalities have prepared cross-sectoral CCA strategies by end 2013	Sub-national development plans	Councils and local administrations able to develop effective strategies for climate change resilience
Outcome 2: Systems and procedures for mainstreaming climate change resilience within sub-national government public expenditure management systems in a fiscally sustainable manner are proven and available for scaling up	% of discretionary budgets (commune/sangkat fund; district/municipal fund) in target districts allocated to projects responding to CCA strategies	0% (2011)	25% of discretionary budgets in target districts by 2013	Sub-national budgets	Councils and local administrations demonstrate capacity for effective action on climate change
	Number of beneficiaries (men/women) benefitting from projects responding to CCA strategies	0% (2011)		Database	
	% of PBCRGs funding projects responding to priorities identified by women's groups in VRA	0% (2011)	50%	Database and VRA records	
Outcome 3: National guidelines for sub-national public expenditure management facilitate mainstreaming of climate change resilience, particularly through cooperative action between district/municipal and commune/sangkat councils and administrations	Sub-national planning guidelines adapted to include formulation of cross-sectoral CCA strategies  Sub-national chart of accounts includes code for revenues earmarked for CCA investments	Sub-national planning guidelines treat climate change as part of natural resources and environmental management sector  Chart of accounts does not have a code for CCA grant revenues	Sub-national planning guidelines of Ministry of Planning  Sub-national chart of accounts of Ministry of Economy and Finance		National government willing to adapt guidelines according to lessons learned from LGCC

Outcome/output	Indicator/activity	Baseline	Target	Source and means of verification	Assumptions/risks
<p>OUTPUT 1: Integration of cross-sectoral, analysis-based strategies for building climate change resilience in sub-national plans and investment programmes in 2 provinces, 8 districts/municipalities and at least 30 communes/sangkats</p>	Start-up workshop in 1 additional province successfully completed	n/a	Complete by end Q3 2012	Quarterly reports	From Year 2 in each participating district, sub-projects for climate resilience are identified through the regular annual investment programme update and in line with district/municipal climate resilience strategies
	Expansion workshop in Takeo Province including analysis of climate change in existing sub-national plans and investment programs successfully completed	n/a	Complete by end Q3 2012	Quarterly report	
	VRA carried out in selected areas of 5 new target districts/municipalities	n/a	Complete by end Q3 2012	Quarterly report	
	District-level workshops to develop CCA strategy in 5 additional districts/municipalities successfully completed	n/a	October 2012	Annual report	
	Province-level workshop to develop CCA strategy in 1 additional province successfully completed	n/a	November 2012	Annual report	
	Provincial, district and commune officials (equal numbers of men and women) participate in cross-provincial exchange visits and report on experiences to reflection workshops	n/a	Battambang visit to Takeo in 2013; Takeo visit to Battambang in 2014	Quarterly and annual reports	Comparison of experience from different districts leads to improved understanding

Outcome/output	Indicator/activity	Baseline	Target	Source and means of verification	Assumptions/risks
OUTPUT 2: Sub-projects responding to climate change resilience strategies are executed through the sub-national public expenditure management systems in 8 districts/ municipalities and at least 20 communes/ sangkats in two annual budget cycles	Announcement of PBCRG amounts for districts/ municipalities; average amount USD 40,000 per district per year	3 participating SNAs in 2011–2012	Grants for 8 SNAs announced in October 2012 and October 2013	Annual report	
	District/municipal administrations with participation of communes/ sangkats identify projects eligible for funding from PBCRGs	3 participating SNAs in 2011–2012	Candidate projects identified by 8 districts/ municipalities in October 2013 and October 2014	Annual report	SNA able to identify and partially fund eligible projects
	4 additional districts allocate PBCRGs to eligible sub-projects at project identification workshops	3 participating SNAs in 2011–2012	4 workshops held and grants allocated by November 2012	Annual report	
	Districts/ municipalities allocate PBCRGs to eligible sub-projects through district/municipal integration workshop	3 participating SNAs in 2012	3 districts/ municipalities in 2012 and 8 districts/ municipalities in 2013	Annual report	
	District/municipal and commune/ sangkat councils approve budgets reflecting PBCRGs as revenues and CCA sub-projects as expenditures	9 communes/ sangkats in 2013	8 districts/ municipalities and at least 20 communes/ sangkats in Q1 2013 and Q1 2014	Quarterly report	
	District/ municipal and commune/sangkat administrations prepare CCA sub-projects to conform with climate-resilient standards	3 districts/ municipalities and 9 communes/ sangkats in 2012	8 districts/ municipalities and at least 20 communes/ sangkats complete project preparation by Q2 2013 and Q2 2014	Quarterly report	
	CCA sub-projects implemented	Implementation of projects starting Q3 in 2012	Project implementation to start Q2 in 2012 and 2013 and completed by end of year	Quarterly and annual reports	
	Backstopping and monitoring by NCDDES and provincial administration	Monitoring visits conducted regularly in 2012	At least 2 visits per quarter to each province and at least 1 visit per quarter to each district/ municipality	Quarterly and annual reports	Monitoring leads to improved standards
	Participatory monitoring and evaluation of CCA projects with active beneficiary participation	First participatory evaluations due Q4 2012	All sub-projects have participatory evaluation completed in Q4	Reports of participatory evaluations at reflection workshops	Participation improves community understanding

Outcome/output	Indicator/activity	Baseline	Target	Source and means of verification	Assumptions/risks
OUTPUT 3: National guidelines for sub-national planning, investment programming, medium-term expenditure framework and annual budget plan adapted to facilitate integrated, cross-sectoral strategies for climate change resilience implemented jointly by district/municipal and commune/sangkat councils and administrations	In-depth assessment of pilot results	Report on Phase I due Q1 2013	Report on Phase I completed by Q1 2013; report on Phase II completed by Q2 2015	Reports	Evidence from LGCC implementation will be used to develop national guidelines
	Revised guidelines for sub-national planning and financial management reflect LGCC experience	Discussions with Ministry of Planning initiated in 2012	Revised planning guidelines adopted in 2013 Financial management procedures reflected in design of 2013 sub-national investment facility	Guidelines produced	
	Increased awareness of role of local government in CCA through dissemination of evidence from pilots		LGCC team invited to make presentations at appropriate workshops and forums	Project reporting	Lessons learned from LGCC will be adopted by other local councils and administrations and by donor partners
	Cambodian officials participate in regional LoCAL events and report back on experience		Cambodian participation in LoCAL summits in 2013 and 2014	Reports of LoCAL summits and events	Exposure to international practice assists in developing guidelines

SOURCE: NCDSS, Sida and UNCDF, 'LGCC-II Concept Note', Final Submission, August 2012.

NOTE: n/a = not applicable.





The United Nations Capital Development Fund (UNCDF) is the UN's capital investment agency for the world's 48 Least Developed Countries (LDCs). UNCDF uses its capital mandate to help LDCs pursue inclusive growth. UNCDF uses 'smart' Official Development Assistance (ODA) to unlock and leverage public and private domestic resources; it promotes financial inclusion, including through digital finance, as a key enabler of poverty reduction and inclusive growth; and it demonstrates how localizing finance outside the capital cities can accelerate growth in local economies, promote sustainable and climate resilient infrastructure development, and empower local communities. Using capital grants, loans, and credit enhancements, UNCDF tests financial models in inclusive finance and local development finance; 'de-risks' the local investment space; and proves concept, paving the way for larger and more risk-averse investors to come in and scale up.

LoCAL provides a mechanism to integrate climate change adaptation into local governments' planning and budgeting systems, increase awareness and response to climate change at the local level, and increase the amount of finance available to local governments for climate change adaptation.



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