

# **Completion Report**

Project Number: 48020-001

Technical Assistance Number: 8617

April 2016

Cambodia: Advance Actions for the Proposed Flood Damage Reconstruction Project – Additional Financing

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Asian Development Bank



TA Number, Country, and Name:			Amount Approved: \$225,000	
TA 8617-CAM: Advance Actions for the Proposed Flood Damage Reconstruction Project – Additional Financing			Revised Amount: N.A.	
Executing Agency: Ministry of Economy and Finance		Source of Funding: TASF	Amount Undisbursed: \$56,170	Amount Utilized: \$168,830
TA Approval Date:	TA Signing Date:	Fielding of First Consultants:	TA Completion Date Original: 31 Oct 2014	Actual: 31 Jul 2015
27 Jan 2014	27 Jan 2014	25 Feb 2014	Account Closing Date Original: 31 Oct 2014	Actual: 30 Oct 2015

## Description

In September and October of 2013, heavy rainfall and serious flooding along with long periods of inundation disrupted infrastructure, property and agricultural crops in Cambodia's 20 provinces. As a result, over 1.7 million people or about 12% of the national population were affected and 45,905 households were displaced. Responding to the emergency situation, ADB provided a grant to support the Government of Cambodia in the amount of \$3 million<sup>2</sup> to address the immediate humanitarian needs. However, it was also considered that a medium term effort would be needed to lay the foundation for full and sustained recovery. Further discussions with the government confirmed the need for flood damage emergency reconstruction.

The normal response to a natural disaster required a comprehensive and swift action to address emergent needs while at the same time ensure accountability of project actions, particularly in procurement and disbursement. Furthermore, a major constraint in ensuring timely implementation in Cambodia is the failure to apply advance actions to accelerate project start up<sup>3</sup> and determining the appropriate implementation arrangements to ensure timely completion of project activities. The TA's aim was therefore to provide assistance during the startup phase for the ensuing Flood Damage Emergency Reconstruction – Additional Financing (FDERP-AF), involving multiple government ministries and geographical locations.

The TA utilized lessons learned from previous experience in managing responses to disasters. <sup>4</sup> These include: (i) quick preparation of targeted investments combined with effective management arrangements, fiduciary and safeguard measures, in close cooperation with the government will result in tangible benefits to affected beneficiaries, (ii) effective leadership of the executing agency and strong ownership from implementing agencies is instrumental in accelerating implementation, and (iii) simple project design and implementation arrangements alleviate bottlenecks in implementation. The executing agency was the Ministry of Economy and Finance (MEF), while the implementing agencies were the Ministry of Public Works (MPWT), Ministry of Rural Development (MRD) and Ministry of Water Resources and Meteorology (MOWRAM).

#### **Expected Impact, Outcome, and Outputs**

The expected impact of the TA was improved project readiness of the proposed FDERP-AF. The expected outcome was timely and quality FDERP-AF preparation. The TA set out to achieve three outputs, namely: (i) completed subprojects ready for tender. This would entail identification of 3–4 priority subprojects, for fast track repairs under Stage 2 reconstruction works;<sup>5</sup> (ii) strengthened capacity of executing agencies and implementing agencies to carry out emergency infrastructure reconstruction, involving staff from four government ministries<sup>6</sup> and (iii) an effective project management system established, whereby a project

Funded through the Asia Pacific Disaster Response Fund (APDRF), which was approved on 14 November 2013.

<sup>4</sup> These include Loan 2852-CAM: Flood Damage Emergency Reconstruction Project and Grant 0372-CAM: Cambodia Flooding: Humanitarian Assistance Project.

According to the National Committee for Disaster Management, 240,195 houses, 1,254 schools, and 92 health centers were affected, while 440 km of national roads and 3,569 km of rural roads were damaged. The worst of the flood impacts occurred in Battambang, Banteay Meanchey, Oddar Meanchey and Siem Reap provinces.

<sup>&</sup>lt;sup>3</sup> Advance actions include, but are not limited to, initiating consultant recruitment, preparing bid documents, setting up implementation arrangements, and ensuring adequate capacity of project staff.

Reconstruction was planned in three stages. Stage 1 covers urgent repairs to address the immediate needs arising from flood damage using Government funding; Stage 2 funded under the ensuing Loan 2852-CAM: Flood Damage Emergency Reconstruction Project – Additional Financing, include fast track repairs to be completed before the next rainy season; bidding used direct contracting procedures; Stage 3, also funded under FDERP-AF covers the remaining flood damage subprojects to be completed, using competitive modes of procurement.

<sup>&</sup>lt;sup>6</sup> The four ministries are the Ministry of Economy and Finance, Ministry of Public Works, Ministry of Rural Development and Ministry of Water Resources and Meteorology.

management unit, three project implementation units will be established, supported by a team of consultants who are ready to be mobilized. The TA was highly relevant as it responded well to the needs of the government following the 2013 flood disaster.

# **Delivery of Inputs and Conduct of Activities**

The consultants were effectively mobilized using the individual consultant selection method. A total of 3.8 person-months of an international infrastructure engineer inputs and 24 person-months of national consultant inputs (comprising procurement, engineering, financial management, M&E and safeguard specialists) were utilized to conduct the needed surveys, prioritize investments and prepare detailed engineering designs and other bid documents for Stage 2 subprojects. This comprised provincial roads, rural roads, and irrigation channels and structures. The terms of reference of the consultants were clearly spelled out and consultants were mobilized immediately upon approval of the TA. The design of the TA included 4 civil works packages. The remaining contract packages were to be finalized using proceeds from the ensuing loan. Subproject selection criteria and identification of priority subprojects were proposed by the executing agency, to which ADB provided no-objection. The performance of the executing agency, consultants and ADB were satisfactory.

# **Evaluation of Outputs and Achievement of Outcome**

The consultants completed and submitted the required progress reports and other project documents on time. The bidding documents from the processing of the first batch of Stage 2 subprojects were designed in accordance with sound technical, fiduciary and safeguard requirements and ready for tender by loan effectiveness. They provided a good model for the completion of the subsequent 45 contracts (36 civil works, 4 consulting services, and 5 equipment contracts) under the FDERP-AF project. Processing time for completing and approving tender documents was reduced from 4 months (average for ADB projects), to less than 2 months. The TA enabled advance actions and timely approval of the FDERP-AF loan by the ADB Board within 4 months of implementation. Achievement of the TA outputs required less time than initially envisaged. The institutional mechanisms in place provided the executing agency/implanting agencies with a good project implementation model that could be replicated to future projects.

## **Overall Assessment and Rating**

Overall, the TA is rated successful. It is highly relevant and timely, responding to an immediate need of the government. It was highly efficient in the timely availability of inputs (consulting services, disbursements and counterpart staff). The TA was effective in the delivery of outputs and in the achievement of outcome. The TA is likely to be sustainable, as the executing agency, participating IAs and beneficiaries were involved in the design and implementation of the TA and the ensuing FDERP-AF loan.

## Major Lessons

- (i) Lessons from previous emergency responses were readily incorporated in the project design, which contributed to a successful outcome:
- (ii) ADB and government exercised some flexibility in procurement and financial management actions, such as single source selection for consultants and direct contracting for Stage 2 subprojects which enabled quick implementation start-up; and
- (iii) The implementation success is largely attributed to the direct contracting of Stage 2 civil works and retaining the existing consultants under the original FDERP.

#### **Recommendations and Follow-Up Actions**

It is recommended that the lessons from this project be replicated and scaled up in the event of the need for future responses to flood disasters. However, not all activities should be applied to all projects because of the unique nature of this project. In particular, the TA had the benefits of being able to apply single source selection and direct contracting in the selection of consultants and contractors. Other factors that led to the success of the TA such as implementation of advance actions, effective leadership and strong support from various stakeholders could be incorporated in the design of future projects.

ADB=Asian Development Bank; FDERP-AF= Flood Emergency Damage Reconstruction Project-Additional Financing; MEF=Ministry of Economy and Finance; MOWRAM=Ministry of Water Resources and Meteorology; MPWT=Ministry of Public Works and Transport; MRD=Ministry of Rural Development; TA = technical assistance

Prepared by: Januar Hakim Designation: Sr. Portfolio Management Specialist, CARM