



Project Summary Information

Date of Document Preparation/Updating: 08/17/26	
Project Name	Urban Sustainable Water Supply Development Project
Project Number	P000838
AIIB member	Cambodia
Sector/Subsector	Water
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	The Project objective is to improve access to climate resilient water supply services in Kampot province, Cambodia.
Project Description	Cambodia is urbanizing rapidly, driven by economic growth, industrialization, and increasing rural-to-urban migration, with one-third of the population projected to live in urban areas by 2030. While major municipal investment has historically been concentrated in Phnom Penh, secondary cities and provincial hubs, including those in Kampot province, face severe infrastructure deficits. Nationally, only 21% of the population has access to safely managed drinking water supply services. In secondary cities, aging or nonexistent bulk water treatment and distribution networks leave communities increasingly unable to cope with climate-induced droughts and floods. The Project will address these challenges through a combination of climate-resilient infrastructure and institutional strengthening. The Project has the following components: Component 1: Water Treatment Plant and Intake facility This component will support construction of a new surface water intake facility on the Teuk Chhou River and a new water treatment plant (WTP) with a design capacity of 117,000 cubic meters per day. The WTP will include a Supervisory Control and Data Acquisition (SCADA) system for automated monitoring and control. Component 2: Water transmission and distribution network

	This component will support construction of 282 kilometers of large-diameter transmission pipeline and about 20 kilometers of distribution network in greenfield and underserved areas. Component 3: Capacity Building & Project Management This component will support project management during implementation, including training and capacity-building activities for national and provincial government entities, the Kampot Provincial Water Utility (KPWU), and Private Water Operators (PWO) to strengthen their capacity to support project implementation.
Expected Results	Increased access to safely managed water supply and strengthened institutions for water supply and service delivery
Environmental and Social Category	B
Environmental and Social Information	Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), will apply to this Project. ESS1 (Environmental and Social Assessment and Management) is applicable to the assessment and management of the Project's environmental and social (ES) risks and impacts. ESS2 (Involuntary Resettlement) is applicable as the Project will require land acquisition and involuntary resettlement for water supply infrastructure. Minor economic displacement of people is anticipated, as the Project prioritizes government-owned land for Project site selection to minimize resettlement impacts. ESS3 (Indigenous People) is not applicable, as no indigenous people have been identified in the Project area. The Project is categorized as Category B under the AIIB's ESP. The anticipated ES impacts are expected to be site-specific, largely temporary, and readily mitigated through appropriate design and implementation of ES management measures. Environmental and Social Instruments. The following ES instruments will be prepared to manage the Project's ES risks and impacts during project implementation: (i) a targeted Environmental and Social Impact Assessment (ESIA); (ii) an Environmental and Social Management Plan (ESMP), integrating a Labor Management Plan (LMP) and a Stakeholder Engagement Plan (SEP); (iii) a gender assessment/Gender Action Plan (GAP); (iv) a Resettlement Policy Framework (RPF) to guide the management of risks and impacts related to land acquisition and involuntary resettlement prior to Project approval; and (v) a Resettlement Action Plan (RAP) based on the RPF, following Project approval once all infrastructure locations and routings are confirmed. Environmental Aspects. Subprojects will involve implementing various combinations of water supply infrastructure; primarily intakes, treatment plant, pumping stations and conveyance pipelines. Screening has identified the potential for Critical Habitat trigger species in the Teuk Chhou River and the Client will undertake assessment to determine if the river qualifies as critical habitat. There is potential for terrestrial habitat loss and disturbance to terrestrial and avian biodiversity as a result of the project footprint and construction activities. Other notable operational risks include use of chemicals in the

water treatment process, and production of waste sludge; there will also be a permanent loss of vegetation from implementation of Project components on greenfield land. These risks and impacts will be assessed by the client and mitigations compliant with ESS 1 committed. Risks during construction include the accidental releases of pollutants and sediment to the river from intake and pipeline implementation; potential for disturbance of wildlife; short-term increases in noise, vibration and dust; and impacts on local road users from construction vehicles and temporary road works.

Social and Gender Aspects. The Project is expected to pose social risks and impacts related to land acquisition/economic displacement, construction related disruptions, labor and working conditions, labor influx and SEAH, community health and safety, and equitable access for poor and vulnerable households. Government-owned land has been prioritized to minimize resettlement impacts. As the Project will source water from the Kam Chai River in Kampot Province, dam safety risks associated with the upstream hydropower dam will be assessed during appraisal. The assessment will cover structural integrity, emergency preparedness, and operation and maintenance arrangements in accordance with AIIB's ESP. For gender issues, a gender assessment will identify the distinct needs of women and vulnerable groups and inform a Gender Action Plan to address gaps and promote inclusive outcomes.

Occupational Health and Safety (OHS), Labor and Employment Conditions. The Project will comply with Cambodia's labor legislation and AIIB's ESF, with careful management of occupational and community health and safety risks. Key risks include traffic accidents, construction hazards, and exposure to noise, air, and water pollution, particularly around WTPs. WTP-related risks also include excavation, confined spaces, working at height, hazardous atmospheres, and work near water. These risks will be managed through contractor and operations and maintenance plans, supported by site-specific worker grievance mechanisms. Attention will be given to vulnerable workers to ensure that labor and working conditions remain compliant with applicable legal and regulatory requirements. In addition, due to the civil conflicts in Cambodia between the 1970s and 1990s, mines and unexploded ordnance (UXO) may be present in the subproject areas. Mines and UXO clearance of subproject sites will be required before any construction activities commence.

Stakeholder Engagement, Consultation and Information Disclosure. The early draft SEP has identified project stakeholders, including affected people and vulnerable groups, to guide information disclosure and establish consultation mechanisms throughout project preparation and implementation. Consultations will be conducted with project-affected communities, local authorities, civil society organizations, women, vulnerable groups, and local businesses during appraisal to share information on the Project, including ES risks and impacts, and to seek feedback on the Project design and ES documents before finalization. Project information and ES documentation will be disclosed in forms and languages accessible to affected stakeholders in an appropriate manner in accordance with the requirements of the ESP.

Project Grievance Redress Mechanism (GRM). The Project will establish and maintain a GRM to receive, register, assess, and resolve concerns and complaints from project-affected people and other stakeholders in a timely and transparent

	manner. GRM will be accessible throughout the project lifecycle and will include procedures for submission, tracking, resolution, and monitoring of grievances, including anonymous complaints where appropriate. Separate channels will also be available for project workers through a separate grievance mechanism. Information on the GRMs and AIIB's Project-affected People's Mechanism (PPM) will be disclosed during consultations and through project information materials. Monitoring and Reporting Arrangements. The PMU will be responsible for the overall coordination of Project monitoring. The Project Management/Project Supervision Consultants recruited to support the PMU will support monitoring and oversight. The PMU will monitor the implementation progress and track the results indicators following agreed baseline, methodology and frequency including the management of ES risks and impacts. AIIB will conduct periodic field monitoring mission to supervise the implementation of ES instruments. Further details will be determined during Project preparation and ESDD.		
Cost and Financing Plan	AIIB: USD225 million Government of Cambodia: USD25 million		
Borrower	Kingdom of Cambodia		
Implementing Entity	Ministry of Industry, Science, Technology & Innovation		
Estimated date of loan closing	December, 2033		
Contact Points:	AIIB	Borrower	Implementation Organization/Sponsor
Name	Ankur Agrawal	H.E. Pen Thirong	H.E. Houl Bonnarith
Title	Senior Investment Officer	Under Secretary of State, Ministry of Economy and Finance	Under Secretary of State, Ministry of Industry, Science, Technology & Innovation
Email Address	ankur.agrawal@aiib.org	thirong_pen@mef.gov.kh	houl.bonnarith@misti.gov.kh
Date of Concept Decision	September 1, 2026		
Estimated Date of Appraisal Decision	December 2026		

Estimated Date of Financing Approval	March 2027
Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html .