



Project Summary Information

Date of Document Preparation: September 4, 2020	
Project Name	National Restoration of Rural Productive Capacity Project
Project Number	P000446
AIIB member	Kingdom of Cambodia
Sector/Subsector	Rural Infrastructure and Agriculture Development
Status of Financing	Under Preparation
Project Description	<p>The Project is proposed to be supported under AIIB's COVID-19 Crisis Recovery Facility (the Facility). The proposed Project will help the government respond to the COVID-19 pandemic through investing in sustainable and resilient rural infrastructure in targeted provinces. The Project may include the following components:</p> <ol style="list-style-type: none"> 1. Sustaining Rural Livelihood and Trade Flows by: (i) Upgrading and climate proofing existing rural roads, vulnerable to erosion and flooding; (ii) Greening of the embankments using nature-based solutions and indigenous materials to accommodate safe walking and cycling and promote rural roads' safety; (iii) Replacing unstable bridges and collapsed drainage structures to increase climate resilience and improve access to schools and districts health centers; (iv) Promoting communities participation in some of the construction activities through Cash-For-Work payments; and (v) Sustaining rural-urban transport linkages to ensure timely transportation of rural products to strengthen food security. 2. Strengthening Water Sanitation and Hygiene (WASH) Preparedness for COVID-19 pandemic by: (i) Restoring and climate proofing community ponds with a strengthening of the embankments using nature-based solutions and some construction allocated to the rural communities through Cash-For-Work payments; (ii) Mapping of safe water access points in the village within a 250 to 350 meters range from each house to reduce water duties allocated to women and children; and (iii) Promoting sanitation and hygiene, especially hand-washing practices as recommended by WHO, UNICEF, Bill and Melinda Gates Foundation and International Water Association to deliver basic COVID-19 prevention measures to the vulnerable groups of the rural population. <p>With WHO support, the government prepared a Master Plan for COVID-19 Response, which focuses on public health containment actions and fiscal measures supported by the development partners. The government announced a pro-poor countercyclical fiscal response of USD 815.7 million (~3.2% of projected 2020 GDP), with USD 300 million directly allocated for the vulnerable groups, including women and children. However, as the informal economy is large (~92%),</p>

	<p>many workers, especially women do not benefit from those measures and have returned to their villages. Furthermore, the pandemic is threatening a potential reversal of recent gains in poverty reduction (ILO, 2019; ADB, 2020) with 130,000 to 200,000 people falling into extreme poverty (less than USD 1.90 per day) and 800,000 to 1.1 million people into moderate poverty (less than USD 3.20 per day). The government's fiscal response supported by the development partners does not leave much funding to restore the productive capacity of the rural regions absorbing returning migrants with scarce jobs. The government requested AIIB assistance to finance under AIIB's COVID-19 CRF a USD 65 million "National Restoration of Rural Productive Capacity Program", using the Special Fund Window (SFW) for interest subsidy.</p>
Objective	<p>The Project objective is to restore rural productive capacity through investing in sustainable and climate resilient infrastructure in targeted rural areas of the Kingdom of Cambodia and to support the government's COVID-19 crisis response.</p>
Expected Results	<p>1. Climate and COVID-19 resilience improved in rural areas:</p> <ul style="list-style-type: none"> • People benefiting from increased rural green investments: 864,000 beneficiaries • Resilient rural infrastructure assets improved: 235 km Rural Roads in 5 provinces restored • Resilient rural infrastructure assets strengthened: 75 WASH Programs in 21 districts implemented <p>2. Access to socio-economic opportunities increased in rural areas:</p> <ul style="list-style-type: none"> • Measures for increased inclusiveness supported in implementation: Cash-for-work scheme with rural communities-based organizations in project areas established • Gender-responsive rural infrastructure green assets and/or services established: 75 WASH Programs
Environmental and Social Category	<p>Category B</p>
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List (ESEL) and relevant Environmental and Social Standards (ESSs) apply to this Project. Given the emergency nature of this Project, a phased approach for addressing environmental and social (ES) risks and impacts has been adopted, as permitted under the ESP for Situations of Urgent Need of Assistance. The Project has been categorized as Category B and an Environmental and Social Management Planning Framework (ESMPF) will be used as the Project's ES instrument. Under the phased approach, the ESMPF may be deferred to the Project implementation phase. Consequently, AIIB may approve the Project prior to the preparation of the ESMPF and the field-based ES due diligence.</p> <p>Given the nature and potential of spread of the COVID-19 pathogen, the ES risks are considered to be significant by AIIB. However, the project is expected to have mostly positive ES impacts, insofar as it should improve COVID-19 surveillance,</p>

	<p>monitoring, case management and containment, and medical waste management contributing to preventing a wider spread of the disease during project implementation.</p> <p>The ESMPF will review national governmental laws and regulations on environmental management. It will also include mitigation actions for improving capacity and training on the proper use of Personal Protective Equipment (PPE), and social and behavioral awareness during project preparation and project implementation. The project components are rehabilitation and restoration of existing rural roads and community ponds, therefore eliminating involuntary resettlement; the use of nature-based solutions and indigenous material is expected to reduce environmental impacts due to construction. The ESMPF will also provide measures to support equitable access to project benefits for women, the elderly and the disabled. A project level Grievance Redress Mechanism (GRM) will be included as an element of the ESMPF.</p> <p>The ESMPF will be prepared following Loan effectiveness in parallel with development of the Project's detailed design and updated regularly as the COVID-19 situation evolves. Any activities screened to have significant impacts according to the ESMPF will not be initiated before any additional ES assessment documents (if required), are in place. The ESMPF in English and summary in the local language, as appropriate, will be disclosed by the Client on its website and in hard copies in the Project areas. This documentation will also be disclosed on AIIB's website.</p>										
Cost and Financing Plan	<p>Indicative Cost and Financing Plan (USD million) using Special Fund Window for interest subsidy under AIIB CRF.</p> <table border="1" data-bbox="504 858 1939 1169"> <thead> <tr> <th data-bbox="504 858 1630 911">Modality and Sources</th> <th data-bbox="1630 858 1939 911">Amount (\$ million)</th> </tr> </thead> <tbody> <tr> <td data-bbox="504 916 1630 995">Asian Infrastructure Investment Bank Sovereign-Backed Financing</td> <td data-bbox="1630 916 1939 995">55.0</td> </tr> <tr> <td data-bbox="504 1000 1630 1053">Grant (to be confirmed)</td> <td data-bbox="1630 1000 1939 1053">4.0</td> </tr> <tr> <td data-bbox="504 1058 1630 1121">Government</td> <td data-bbox="1630 1058 1939 1121">6.0</td> </tr> <tr> <td data-bbox="504 1126 1630 1169">Total</td> <td data-bbox="1630 1126 1939 1169">65.0</td> </tr> </tbody> </table>	Modality and Sources	Amount (\$ million)	Asian Infrastructure Investment Bank Sovereign-Backed Financing	55.0	Grant (to be confirmed)	4.0	Government	6.0	Total	65.0
Modality and Sources	Amount (\$ million)										
Asian Infrastructure Investment Bank Sovereign-Backed Financing	55.0										
Grant (to be confirmed)	4.0										
Government	6.0										
Total	65.0										
Borrower	Kingdom of Cambodia										
Implementing Entity	Ministry of Rural Development										
Estimated date of loan closing	December 2023										

Contact Points:	AIB	Borrower	Implementation Organization
Name	Hubert Jenny	Pen Thirong	Phoung Sophea
Title	Senior Investment Operations Specialist	Under-Secretary of State, Ministry of Economy and Finance	Secretary of State, Ministry of Rural Development
Email Address	hubert.jenny@aiib.org	thirong_pen@mef.gov.kh	sopheaphoung575@gmail.com
Date of Concept Decision	August 2020		
Estimated Date of Appraisal Decision	October 2020		
Estimated Date of Financing Approval	Q4/2020		
Independent Accountability Mechanism	<p>AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by 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 the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html</p>		