

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA3853

Project Name	Mekong Integrated Water Resources Management Project- Phase III (P148647)
Region	EAST ASIA AND PACIFIC
Country	Cambodia
Sector(s)	General water, sanitation and flood protection sector (55%), General agriculture, fishing and forestry sector (45%)
Theme(s)	Water resource management (60%), Rural services and infrastructure (20%), Other environment and natural resources management (20%)
Lending Instrument	Investment Project Financing
Project ID	P148647
Borrower(s)	Ministry of Economy and Finance
Implementing Agency	Cambodia National Mekong Committee (CNMC)
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	13-Nov-2015
Date PID Approved/Disclosed	14-Nov-2015
Estimated Date of Appraisal Completion	31-Dec-2015
Estimated Date of Board Approval	17-Mar-2016
Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

Cambodia has experienced remarkable economic growth and macroeconomic stability over the past years. Its growth rate averaged 7.9% per annum over 2003–2013, the 17th fastest in the world over that period. Per capita income in current prices has more than doubled over the past decade, reaching US\$1,084 in 2014 from US\$405 in 2004. The level of poverty more than halved over seven years from 53 percent in 2004 to 17.7 percent in 2012. This growth has been led by the expansion of the construction sector, garment exports, tourism, and agriculture. Despite the impressive economic progress, Cambodia remains one of the poorest countries in Southeast Asia.

Sectoral and institutional Context

Sectoral and institutional Context

The Lower Mekong Basin (LMB), encompassing Cambodia, Lao PDR, Vietnam and Thailand, is

home to an estimated population of 66 million, many of which live in rural areas and are considered below the poverty line. These communities rely heavily on the water, fisheries and aquatic resources of the Mekong for basic food security and livelihoods. In recent years, rapid transition has started; there is a shift from subsistence farming towards forest plantation and mining development, raising particular concerns for water resources (including fisheries) protection, which would have downstream and regional implications. Thus, management of the water resources play a key role in the economic and livelihood development of the LMB.

In Cambodia, fishery and water resources management have been identified as critical issues to be addressed in order to support continued country economic growth and livelihood security. According to the Fisheries Administration of Cambodia (FiA), the Mekong river inland fisheries account for about 5-6 percent of the Cambodia's GDP. About 5 percent of the total population is engaged in inland fisheries on a full time basis, and about 30 percent of the population is engaged in inland fisheries in some way. Freshwater fish and aquatic animals from the Mekong also contribute more than two thirds of the total protein intake for the Cambodian population. Water resources (including fisheries) management also play a critical for sustainable development in Cambodia; eighty-six percent of the territory lies within the Mekong River Basin and the river is the main water source for domestic, industrial and agricultural uses. Rapid development is occurring on the mainstream and major tributaries, placing pressure on both water and fishery resources.

In recent years, there is increasing recognition by the RGC on the importance of strengthening IWRM (including fishery management) capacity in the country. For instance, the National Law on Water Resources Management, which came into force in 2007, aims to foster effective and sustainable management of water resources and explicitly references the use of an IWRM approach. Furthermore, the RGC is currently finalizing a sub-decree on river basin management to enable river basin based IWRM and establishment of river basin organizations (RBOs).

Institutional

The Ministry of Water Resources and Meteorology (MOWRAM) is designated under the 2007 Cambodian Law on Water Resources Management as the ministry responsible for water resources management. The Ministry of Agriculture, Forestry and Fisheries (MAFF) is in charge of overall fisheries management, and have created Fisheries Administration (FiA) to oversee the fisheries sector. Community fisheries co-management, where communities share management roles with the government, is the approach taken by the Cambodia government and is commonly regarded as more effective and equitable than traditional government management. This approach is also in line with current international best practice.

II. Proposed Development Objectives

The project development objective of the Mekong Integrated Water Resources Management Project Phase III is to establish the foundation for effective water resource and fisheries management in the project areas in the northeast of Cambodia. The overall development objective for the Mekong Integrated Water Resources Management series of projects is to establish key examples of integrated water resource management (IWRM) practices in the Lower Mekong Basin, at the regional, country and sub-national levels.

III. Project Description

Component Name

Fisheries and Aquatic Resources Management in Northern Cambodia

Comments (optional)

The objective of this component is to improve the management of fish and aquatic resources in northern Cambodia. These resources contribute significantly to livelihoods, food security and biodiversity. Sub-components include:

- 1.1 Establishment of Community Fisheries Management
- 1.2 Fisheries Co-Management Infrastructure and Equipment
- 1.3 Enhancements of Fisher Community Livelihoods
- 1.4 Project Administration and Management

Component Name

Water Resources Management (WRM) in the Northeastern Cambodia and Trans-Boundary Dialogue

Comments (optional)

This component aims to improve WRM in Northeastern Cambodia in the 3S and the 4P sub-basins, and support trans-boundary dialogue with Vietnam under the framework of the Mekong IWRM Program. Sub-components include:

- 2.1 Strengthening Water Resource Management Institutions
- 2.2 Water Resources Monitoring and Management in the 3S and 4P Basins
- 2.3 Project Administration and Management

IV. Financing (in USD Million)

Total Project Cost:	15.64	Total Bank Financing:	15.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.64
International Development Association (IDA)			15.00
LOCAL BENEFICIARIES			0.00
Total			15.64

V. Implementation

The Cambodia National Mekong Committee (CNMC) will be responsible for overall project implementation. CNMC will establish a Project Management Unit (PMU) and appoint a project director and deputy director. The PMU shall be responsible for overall financial management, safeguards compliance, and monitoring and evaluation. The PMU will also be responsible for implementation of Component 2. Implementation of Component 1 will be delegated to the Fisheries Administration, which will establish a Component Management Unit (CMU1) to manage the implementation of the Component, including procurement, financial management, safeguards, and technical aspects (e.g., design and construction supervision) under Component 1. CMU1 will be headed by a senior staff of the Inland Fisheries Research Institute which is under the auspices of the FiA.

Oversight: At the Regional level, as the project is part of a larger regional program, the MRC's M-IWRM Project Coordination and Monitoring Unit (PCMU) will monitor implementation of M-IWRM-3, while the M-IWRM Project's Regional Project Steering Committee (RPSC) would be responsible for managing regional issues. At the National level, the existing National Project Steering Committee (NPSC) set up by the MRC's Basin Development Plan program will be utilized

to oversee the implementation of M-IWRM-3 and provide technical and policy guidance to facilitate the implementation of the project.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04	x	
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10	x	
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50	x	
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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