



Project Summary Information

Date of Document Preparation: October 9, 2020

Project Name	National Restoration of Rural Adaptative Capacity Project
Project Number	P000452
AIIB member	Kingdom of Cambodia (Cambodia)
Sector/Subsector	Rural Infrastructure and Agriculture Development
Status of Financing	Under Preparation
Project Description	<p>The proposed Project support the government's efforts to sustain food security during and after the COVID-19 crisis through the restoration and enhancement of smart and climate resilient irrigation systems. The Project may include the following components in selected provinces of Cambodia:</p> <ol style="list-style-type: none"> 1. Restoring and climate proofing main irrigation canals constructed 20 years ago, suffering from erosion and associated secondary and tertiary canals developed by the farmers maximizing nature-based solutions to increase operational performance and climate resilience of the infrastructures. 2. Supplying high efficiency smart irrigation systems to increase climate change mitigation benefits through reduction of both water and carbon footprints. 3. Constructing irrigation ponds, maximizing the use of indigenous materials against erosion of the embankments. 4. Providing Cash-For-Work payments to the village communities in the Project areas for work carried out under the first two components. <p>Cambodia's rural areas were already under stress prior to the pandemic with small-scale farmers and food providers struggling to produce food and to access markets. Since the COVID-19 crisis and additional pressure from climate change resulting in serious droughts during the dry months (November to April) and heavy monsoon rainfall starting (May to October). These problems have been exacerbated as migrants have returned to their villages and compete for water use for irrigation as well as diminishing jobs opportunities. Non-Government Organizations (NGOs) have put Food Security and Livelihood support of the vulnerable population as the top priority action for Cambodia in the context of the COVID-19 crisis. The government requested AIIB assistance to finance a USD 75 million "National Restoration of Rural Adaptative Capacity Project" using the Special Fund for project preparation and cofinancing under discussion with the Green Climate Fund through IFAD.</p>

Objective	The Project objective is to restore rural adaptative capacity by enhancing irrigation systems to address food security vulnerabilities in selected rural areas of the Kingdom of Cambodia.
Expected Results	<p>The proposed Project incorporates climate change adaptation to increase the resilience of about 1.8 million people in rural areas in three provinces and incorporates social considerations in targeted rural infrastructure to address the needs of vulnerable groups (women, children and jobless returning migrants) and sustain the country's food security by investing in irrigation for agriculture and creating rural jobs:</p> <ol style="list-style-type: none"> 1. Food Security and Climate Resilience improved in rural areas: <ul style="list-style-type: none"> • People benefiting from increased green rural infrastructure investments (~1.8 million beneficiaries) • Resilient rural infrastructure assets strengthened through low carbon development solutions: (~145 km irrigation channels and two irrigation ponds 30,000 cubic meters each). • Land improved through smart and resilient irrigation infrastructure delivery (39,000 hectares in rainy season and half in dry season). 2. Gender responsive access to socio-economic opportunities increased in rural areas: <ul style="list-style-type: none"> • Community-based initiative to build resilience of women and girls implemented through cash-for-work schemes in the project areas. • Irrigation services delivery for women and girls improved.
Environmental and Social Category	Category B
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List and relevant Environmental and Social Standards (ESSs) apply to this Project. The Project has been initially assigned Category "B," in accordance with the ESP and will be reconfirmed during AIIB's due diligence. An Environmental and Social Impact Assessment (ESIA), including an Environmental and Social Management Plan (ESMP) will be prepared by the Borrower for the whole length of the existing irrigation channels and the two new irrigation ponds. A Resettlement Plan (RP) and Indigenous Peoples Plan (IPP) will be prepared if ESS2 and ESS3 are triggered. Consultations with Project-affected persons, local communities, and other stakeholders will be undertaken during Project preparation. Continued consultations will be carried out during Project implementation. The ESIA report and relevant plans (in English) along with Executive</p>

	<p>Summary (in both English and Khmer) will be posted on the Borrower's and AIIB's websites before appraisal and in hard copies in the Project area. A Project-level Grievance Redress Mechanism (GRM) in accordance with the requirements of the Bank's ESP for Project-affected people and other stakeholders will be developed and implemented.</p> <p>Environment Aspects. The potential environmental risks and impacts of the Project will be related primarily to the civil works related to: (i) the restoration and rehabilitation works of 145 kilometers of existing irrigation channels (same alignment); and, (ii) two new irrigation ponds of 30,000 cubic meters each, which location will be optimized during the Project preparation to minimize impacts. Availability of water resources for irrigation needs to be confirmed, especially during the dry season. Potential impact on biodiversity will be assessed in the preparation of the ESIA. Noise impacts to receptors along the alignments are anticipated during both construction and operations phase. The impacts during the construction phase will be temporary and reversible; these include construction waste disposal, water use and potential water contamination, air pollution, impacts on borrow areas, occupational and community health and safety, and disturbance to communities and public utilities. The environmental risks and impacts will be mitigated through the preparation of the ESIA and implementation of the ESMP.</p> <p>Social Aspects. The rehabilitation of existing canals is unlikely to require land acquisition, but the two new irrigation ponds will require new land. AIIB will discuss with the Borrower the Project's land requirements, potential involuntary resettlement impacts, and impacts on Indigenous Peoples if any, due to the Project's rehabilitation and construction activities, and the requirements of ESS2 and ESS3. Any land acquisition and involuntary resettlement impacts entailed by the Project will require a social impact assessment and preparation of a RP or Resettlement Planning Framework. Due diligence will be conducted on the existing canals to be rehabilitated to assess any legacy issues related to the land and identify any required corrective actions. As part of the preparation of the ESIA, RP, including a livelihood restoration plan and any other needed additional instruments, associated consultation and disclosure processes will be undertaken. Gender risks and opportunities during construction and operation of the Project will be considered in the Environmental and Social (ES) due diligence. ES risk and impact mitigation measures and gender-related opportunities will be reflected in the ESMP. AIIB will also require the establishment of a Project-level GRM and will discuss with the Borrower the appropriate structure for the Project.</p>			
<p>Cost and Financing Plan</p>	<p>Indicative Cost and Financing Plan (USD million).</p> <table border="1" data-bbox="504 1294 1939 1345"> <thead> <tr> <th data-bbox="504 1294 1626 1345">Modality and Sources</th> <th data-bbox="1626 1294 1939 1345">Amount (\$ million)</th> </tr> </thead> </table>		Modality and Sources	Amount (\$ million)
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	Asian Infrastructure Investment Bank Sovereign-Backed Financing		35.0
	Green Climate Fund through IFAD (to be confirmed) Grant		28.0
	Government		7.0
	Total		75.0
Borrower	Kingdom of Cambodia		
Implementing Entity	Ministry of Water Resources and Meteorology		
Estimated date of loan closing	December 2025		
Contact Points:	AIB	Borrower	Implementation Organization
Name	Hubert Jenny	Pen Thirong	Chann Sinath
Title	Senior Investment Operations Specialist	Under-Secretary of State, Ministry of Economy and Finance	Under-Secretary of State, Ministry of Water Resources and Meteorology
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Date of Concept Decision	December 2020		
Estimated Date of Appraisal Decision	April 2021		
Estimated Date of Financing Approval	Q2/2021		
Independent Accountability Mechanism	<p>AIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIB 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 AIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of AIB's Management. Information on AIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html</p>		

