Early Warning System

AIIB-000446

Cambodia: National Restoration of Rural Productive Capacity Project

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Quick Facts

Countries	Cambodia
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-12-10
Borrower	Government of Cambodia
Sectors	Education and Health, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 60.00 million
Loan Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 65.00 million

Project Description

According to the bank's documents, "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."

"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:

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.

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%), 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."

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Co-financing:
Government US$ 6 million
Grant (to be confirmed) US$ 4 million

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan 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 AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

Bank Documents

- Project Summary (September 4, 2020) [Original Source]

Other Related Projects

- AIIB-000849 Cambodia: National Restoration of Rural Productive Capacity Project - II (NRRPCP-II)