



Project Summary Information

Date of Document Preparation/Updating: 07/08/24 10:50 AM	
Project Name	National Restoration of Rural Productive Capacity Project
Project Number	P000446
AIIB member	Cambodia
Sector/Subsector	CRF-Economic Resilience/PBF
Alignment with AIIB's thematic priorities	Other CRF
Status of Financing	Approved
Objective	To help sustain the rural economy and livelihood of vulnerable rural population and returning migrants affected by the COVID-19 pandemic.
Project Description	<p>The Project is being implemented under the Bank's COVID-19 Crisis Recovery Facility. The Project objective will be achieved by maintaining and accelerating rural infrastructure spending; creating short term employment; and building capacity of local labor and contractors to ensure quality infrastructure delivery.</p> <p>The Project components are:</p> <p>Component A – Investing in Rural Economic Development (USD 61.80 million, of which AIIB financing: USD 54.30 million): This component aimed at generating local short-term jobs under the construction contracts for rural roads and water and sanitation financed by the Project and the ensuing operation and maintenance tasks. These short-term jobs will be targeted to the vulnerable group in project areas, including jobless returning migrants negatively affected by the COVID-19 pandemic: (i) <i>Sub-Component A1 – Rural Road Infrastructure:</i> This will include: (i) upgrading and climate proofing of about 280 kilometers of existing rural roads; (ii) adaptation of unstable bridges and collapsed drainage systems to improve access to markets, schools and health centers and sustain urban-rural linkages within the provinces as well as with the national capital and increase climate resilience; and (iii) greening of the embankments using nature-based solutions and indigenous materials to accommodate safe walking and cycling and promote rural roads' safety; and, (ii) <i>Sub-Component A2 – Water Sanitation and Hygiene:</i> This will include: (i) Restoring and climate proofing of about 75 community ponds with</p>

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	<p>a strengthening of the embankments using nature-based solutions; (ii) construction of 35 new community ponds and associated WASH facilities; (iii) 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; (iv) promoting sanitation and hygiene, especially hand-washing practices to deliver basic COVID-19 prevention measures to the vulnerable groups of the rural population; and (v) community mobilization for the design, operation and maintenance and raising community awareness on safe water use, sanitation and hygiene improvements as part of COVID-19 primary emergency response.</p> <p>Component B -- Strengthening capacity development and Project Management Support (USD 5.70 million of which AIB financing: USD 5.70 million): (i) <i>Re-skilling of the local residents and the national contractors</i> to deliver quality rural infrastructure and basic rural services under the Project as well as provide the foundation for scaling-up future rural infrastructure programs; and (ii) <i>Project management support to the central PMU and the provincial PIUs</i>, given the decentralized implementation arrangements with multiple small contracts across the country, the project provides for project management support consultants for handholding during implementation and organizing learning and knowledge sharing events among key stakeholders.</p>
Expected Results	<p>The Project is expected to generate the following key results in the targeted rural areas in five provinces as an emergency response to the COVID-19 pandemic:</p> <ol style="list-style-type: none"> a. 50,000 short-term local employment benefits, including re-skilling and capacity development of the local labors targeting the vulnerable groups of the population and returning migrants who lost their jobs due to the COVID-19 outbreak and who live in the Project areas; b. 25 national contractors trained in quality rural infrastructure delivery and basic rural services provision, including COVID-19 precaution measures. c. 100 facilities: economic (markets), health (health centers), social (school), with improved road access; d. 120,000 people with improved access to water sanitation and hygiene facilities, especially hand-washing measures as primary COVID-19 mitigation.
Environmental and Social Category	B
Environmental and Social Information	<p>AIB's Environmental and Social Framework (ESF), including Environmental and Social Policy (ESP), Environmental and Social Exclusion List and relevant Environmental and Social Standards (ESS) 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) including a generic Environmental and Social Management Plan (ESMP) will be used as the Project's ES instrument. Under the phased approach, the preparation of the</p>

	<p>ESMPF may be deferred to the Project implementation phase. Consequently, the Bank 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 risks in Cambodia are considered to be significant by the Bank. However, the project is expected to have mostly positive ES impacts and generate local economic development and create jobs in rural areas supported by the Project and WASH component and the promotion of hygiene activities, contributing to preventing a wider spread of the disease during project implementation. The ESMPF will review national and local laws and regulations on environmental and social management. It will also include mitigation actions for improving capacity and training on the proper use of Personal Protective Equipment, and social and behavioral awareness during project preparation and project implementation. The use of nature-based solutions and indigenous material is expected to reduce environmental impacts due to construction. The potential environmental impacts of the project will be from the construction of the rural roads and community ponds, which mostly will be temporary, are limited to the project area, and reversible in nature during construction phase. Mitigation measures to address potential risks will be identified in the ESMP. The project components on rehabilitation and restoration of existing rural roads and community ponds, does not require acquisition of land. Rehabilitation of the existing roads will be implemented within the existing right of way of the roads. The construction of new ponds, which may require about 0.25 hectare each, is expected to have limited or no land acquisition impacts. In addition to the ESMPF, a resettlement planning framework (RPF), and Indigenous Peoples Planning Framework (IPPF) will be prepared to guide the assessment of subprojects identified if there are any involuntary resettlement impacts or impacts to Indigenous Peoples or ethnic minorities. The ESMPF will also include the conduct of due diligence on lands of existing roads and ponds for rehabilitation and restoration. The ESMPF will also provide measures to support equitable access to project benefits for women and children, the elderly and the disabled. If land acquisition of individuals and/or households is required, a resettlement plan will be prepared for the project road/pond following the provisions of the RPF for implementation and monitoring. Similarly, if any ethnic minority group is found staying in the project area and or is affected by the road rehabilitation/pond construction – an ethnic minority people plan will be developed in consultations with the ethnic minority group(s) and relevant agencies following the provisions envisaged in the IPPF for implementation and monitoring. A Stakeholder Engagement Plan will be prepared and an appropriate project level Grievance Redress Mechanism (GRM) will be included as an element of the ESMPF, RPF, and IPPF. Construction works for the rural road and community pond upgrading may require the engagement of workers, both from outside and within the communities. The ESMPF will include provisions for the Borrower to ensure that the project: (i) complies with applicable labor laws, (b) provides equal pay for equal work of equal value regardless of gender and ethnic groups, and on (c) labor and working conditions. Training to the local residents interested to participate in the civil works or the operation and maintenance will be provided by a non-government organization financed under the Project to ensure good practices on occupational health and safety, guided by the Environment Code of Practice. A Gender Action Plan will be prepared for implementation to ensure that gender</p>
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	<p>specific opportunities as well as gender-specific adverse risks and impacts under the Projects are identified, mitigation measures to avoid or reduce such risks and impacts, including measures to address the risks of gender-based violence are developed and implemented, and women in the project area are benefited from the project implementation.</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. All the activities will be screened, and relevant ES assessment, consultations, and ES instruments will be prepared before these are initiated. The ESMPF, RPF and IPPF in English and summary in Khmer and the local language, as appropriate, will be disclosed by the Client on its website and in hard copies in the Project areas. These documentations will also be disclosed on AIIB's website.</p>		
Cost and Financing Plan	<p>Project Cost: USD67.5 million</p> <p>Financing Plan:</p> <p>AIIB loan: USD60 million</p> <p>Government of Cambodia: USD7.5 million</p>		
Borrower/Investee Company/Counter party/Guaranteed entity	Kingdom of Cambodia		
Implementing Entity/Sponsor	Ministry of Rural Development		
Estimated date of loan closing (SBF)	December 31, 2025		
Contact Points:	AIIB	Borrower	Implementation Organization/Sponsor
Name	Ankur Agrawal	Pen Thirong	Phoung Sophea
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Date of Concept Decision	11/13/20		

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Date of Appraisal Decision/Estimated Date of Appraisal Decision	11/26/20
Date of Financing Approval/Estimated Date of Financing Approval	12/10/20
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/how-we-work/public-consultations/project-affected-people-mechanism-policy-review/index.html</p>