

## FIRST QUARTERLY PROGRESS REPORT



*SIDA Climate Change Ambassador Visit LGCC project site in Bati District on 23<sup>rd</sup> April 2013*

**PROJECT TITLE:** LOCAL GOVERNMENTS AND CLIMATE CHANGE  
**ORGANISATION:** NCDD

**REPORTING PERIOD:** 01-01-2013 – 31-03-2013

**Project duration:**  
**Total Approved Budget:** US\$ 1,204,094  
**Project partners:** UNCDF



## 1. Summary

With fund support from SIDA, LGCC II is implementing in two Provinces (Takeo and Battambang) and 7 Districts and 1 Municipalities from mid-2012 to end 2014. The objective of this project is to demonstrate practical ways to mainstream climate change resilience at Sub-National level and thus make sure CC is addressed systematically by local governments across Cambodia. The project fits squarely with both National strategies/priorities in the field of climate change and with strategies/priorities recently developed in the framework of Cambodia's decentralization reform. The entry points are provided by the new Sub-National planning and Sub-National finance systems that are currently being introduced (both with UNCDF support) in Cambodia. The recent introduction of these two National systems provides a great opportunity for fostering climate change resilience across Cambodia.

In the first quarter of the project implementation, some activities have been conducted in order to achieve targeted results as per the approved work plan. Through those activities, partial of the project result has been achieved as described in the progress against the result template in this report.

The paragraphs below summarize progress achieved within 1<sup>st</sup> Quarter of 2013:

- The Mainstreaming Climate Change Adaptation in Sub-national Planning workshop was organized jointly by NCDD/SGP, NAPA FU and SGP on 17-18 January 2013 in Battambang province with total participants of 150 (35 females).
- Organized provincial LGCC reflection/orientation workshop on 7th February, 2013 in Takeo. The objectives of the workshop were to reflect the progress, challenges, lessons learned of LGCC I implementation and to orient on LGCC II and its grant allocation for district and municipality.
- National team conducted Field Trips to Battambang from 17-21 February, 2013. 05 selected target districts (Moung Reussey, Rokhakiri, Sampov Loun, Borvel and Thma Koul) were visited.
- Organized District CCA selection/prioritization workshop in 3 target district/municipality on 25-28 February, 2013 in Takeo.

As the cross-cutting issues in implementing the project, gender balance has been seriously considered by promoting the women's participation in all project activities such as VRA training, VRA assessment, District CCA strategy workshop, project planning in CDP and CIP, project priorities and selection, project monitoring and evaluation to make sure they will get the most benefit from the LGCC project.

At this starting period of the project implementation, the project team has worked closely with the provincial administration, concerned departments, ministries, communities and other key stakeholders in the field. This strong partnership will support the project management in the future project implementation in achieving the project target.



## 2. Introduction

Local Governments and Climate Change is a project implemented by NCDD with technical assistance from UNCDF. LGCC is designed and implemented within the framework of the “Local Climate Adaptive Living” (LoCAL) programme being piloted by the Asia Pacific Regional Centre of UNCDF. As such, Cambodia becomes one of the first countries to pilot the LoCAL approach, together with Bhutan. Further pilots are in design phase in Laos and in the Solomon Islands and initial discussions on extending the program to the Africa region are under way.

The central idea of LoCAL and hence of LGCC is that local administrations have a key role to play in building climate resilience and preparing for the impacts of global climate change. Local administrations perform this role within the policy framework set by national government and climate change adaptation authorities. However, the impacts of climate change will be felt locally and many of the required responses are within the mandate and capacity of local administrations. LoCAL is built around UNCDF experience with local public expenditure management (PEM) systems and with performance based capital grants as a stimulus to capacity development.

LGCC is conceived as a pilot programme with a strong knowledge management element and the expected results include adjustments to planning guidelines. Full results of LGCC Phase I are not yet available but the initial stages of implementation have demonstrated the capacity of local communities and sub-national administrations to identify, prioritize and co-finance investments for climate change adaptation.

Through implementation of LGCC Phase 1 it has been found that there is an existing general awareness of the challenge of climate change and the issue is addressed by local development plans, particularly those prepared at Province and District level in 2011. However, climate change is seen as closely related to disaster preparedness and the full range of impacts across all sectors is not well understood. Local officials and communities are much less familiar with formally defined and assessed climate change vulnerabilities and long term projections based on global climate models. This was reflected in the outcomes of the initial workshops with Local Government (LG) personnel in which, with the proper initial guidance and preparation they proved themselves capable of identifying the suitable measures which should be incorporated into development plans to address the most immediately apparent climate change impacts and threats.

Building on these experiences and lesson learn from LGCC phase I, the Concept Note outlines a proposal for a Phase II of LGCC which will be implemented in two Provinces and seven Districts and Municipalities from mid-2012 to end 2014 was developed. This Concept Note is prepared by UNCDF following initial discussions with NCDD and with SIDA Cambodia. SIDA have indicated the possibility of joint funding of LGCC Phase II with UNCDF, with available funding being approximately \$US 1.2 million over two years beginning in mid-2012.



## Objective

The Objective of LGCC Phase II would be the same as Phase I: ***“To demonstrate the role of Local Governments in fostering climate change resilience and to identify practical ways to mainstream Climate Change Resilience into Sub-National planning and finance systems.”*** LGCC Phase II will build upon the achievements of Phase I in the following ways:

1. The longer timescale will allow better integration of climate change resilience activities with the sub-national investment programmes and in particular will allow the concept of performance-based grants to be more thoroughly tested;
2. The geographic expansion will allow methods developed and lessons learned in Phase I to be applied and will allow testing of the climate change resilience planning in more varied geographic, ecological and socio-economic settings; and
3. With the introduction from 2013 of the budgets and State Treasury accounts for the Districts and Municipalities under the Sub-National Finance Law on Sub-National Finance and Asset Management 2011<sup>1</sup>, the PBCR grants will be more completely integrated with the sub-national public expenditure management systems than was possible in Phase I. As explained below, this opens possibilities to innovate and test financial management procedures with potential significance for areas other than climate change adaptation.

## Expected Results

1. Analysis of awareness to climate change at local levels and how this is expressed within Provincial, Municipal, District and Commune decision making, planning and budgeting processes, together with proposals for raising that awareness and identification of appropriate national and local partners for this
2. Design and operation of practical systems for mainstreaming climate resilience in a fiscally sustainable manner and within existing local government financing systems including the piloting of fiscal grants that support climate resilience;
3. Proposals for amendments to Sub-National planning Guidelines and entry points for climate change financing into Cambodia’s nascent Sub-National finance system, including advocacy at National level to disseminate and discuss the results of the project with National authorities and representatives from all Cambodian Provinces.

## 3. Key Achievement

Implementation of LGCCII proceeded in accordance with the work plan during the first quarter of implementation. The paragraphs below describes the progress achieved in this reporting period

- 1- The Mainstreaming Climate Change Adaptation in Sub-national Planning workshop was organized jointly by NCDD/SGP, NAPA FU and SGP on 17-18 January 2013 in Battambang province with total

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<sup>1</sup> The Law on Sub-National Finance and Asset Management 2011



participants of 150 ( 35 females) . The purpose of the workshop was to agree amongst all stakeholders on a road-map for preparation of guidelines for mainstreaming of climate change adaptation in sub-national development plans and investment programmes. In the workshop, various topics were introduced including local planning process, experience/lesson learnt from CCA-project related implementation, mainstreaming CC into local planning by NGOs and line department. At the end of the workshop, the following result has been achieved such as:

- a. All participants had received well knowledge in mainstreaming CCA from relevant CCA projects;
  - b. Roles and responsibilities of SNA, line departments, NGOs/Civil Society and DPs and coordination mechanism between national and sub-national level had been clear identified;
  - c. NCDD was identified as key focal point for knowledge management;
  - d. Road map for technical working group to develop CCA guideline was agreed.
  - e. Composition and draft ToR of technical working group was agreed.
  - f. Following up Technical Working Group work plan was developed.
- 2- Organized provincial LGCC reflection/orientation workshop on 7th February, 2013 in Takeo. The objectives of workshop were to reflect the progress, challenges, lesson learn of LGCC I implementation and to orientation on LGCC II and its grant allocation for district and municipality. The workshop was participated by national and provincial teams, IP3 advisor, district governors, district councils, IP3 advisors, district planning teams, commune councils with total participants of 95 ( 28 females). As results, all participants from the two target province had aware of amount of fiscal grant allocation in 2013 (196,560\$ in Battambang and 123,439 \$ in Takeo), they understood the LGCC project implementation procedure including steps of project implementation. In addition to this, the participants from Battambang province had learnt on the best practice of LGCC implementation and will replicate this best practice in to their province.
- 3- National team conducted Field Trips to Battambang from 17-21 February, 2013. 05 selected target districts (Moung Reussey, Rokhakiri, Sampove Loun, Borvel and Thma Koul) were visited. The objectives of this trips were to discuss about activity plan for LGCC II, to share lesson learn and experiences from LGCCI and to announce the grant allocation for each districts. The participants from each district were national team, provincial team, district governors, district councils, district planning team, provincial/district IP3 advisors with total of 55 (15 females). As the result, the target districts had known about the grant support and prepared their priorities activity, which related to the LGCC project. The provincial and the target districts had the plan to organize the VRA training on May, 2013, and then will conduct the VRA assessment at the target district and the CCA strategy workshop in June, 2013.
- 4- Organized District CCA selection/prioritization workshop in 3 target district/municipality on 25-28 February, 2013 in Takeo. These workshops were participated by national and provincial team, district governors, district councils, IP3 advisors, district planning teams, commune councils with total participants of 165 (32 females). The objective of the workshop was to prioritize the selected projects proposed by district/municipality and communes/sangkat. As results, there were 20 selected projects (15 climate-proof infrastructure and 5 non-infrastructure projects).



#### 4. Progress Against Result Framework

Outcome objective 1	Increased awareness of climate change and capacity to plan and implement adaptation and resilience building responses, amongst sub-national governments and local communities					
	Indicator	Baseline	Target	Results	Progress	
		(year 2012)	year 2013	(year 2014)	2013	2014
<b>Indicator 1</b>	Explicit strategies for climate change adaptation included in sub-national development plans	Sub-national development plans prepared in 2011 mention climate change but do not include explicit, cross-sectoral adaptation strategies	2 Provinces and 8 Districts / Municipalities have prepared cross-sectoral CCA strategies by end 2013	At least 50% of the Commune/Sangkat councils in target areas have prepared cross-sectoral CCA strategies into their development plans	TAK Province and 3 Districts / Municipalities had prepared cross-sectoral CCA strategies by January, 2013	
<b>Indicator 2</b>	Activities responding to climate change adaptation strategies are included in investment programmes at District/Municipal and Commune/Sangkat level	10 CCA-related infrastructure projects (Canal, Rural Road and Community Ponds, Water gate, Sewage water managements...ect) and 9 CCA-related strategy planning and service projects being implementing in 9 communes/sangkat, 3 districts/municipality including provincial level in LGCC I in Takeo.	8 District/Municipality investment programmes and at least 30 Communes/Sangkats Investment programmes include activities responding to CCA strategy	8 District/Municipality investment programmes and at least 50% of Commune/Sangkat investment programmes include activities responding to CCA strategy	There were 3 District/Municipality investment programmes and 23 Communes/Sangkats Investment programmes had included activities responding to CCA strategy by January, 2013	
<b>Output objective 1</b>	Integration of cross-sectoral, analysis based strategies for building climate change resilience in sub-national plans and investment programmes in two provinces, eight districts/Municipalities and at least 30 communes/Sangkats					



	Indicator	Baseline	Target	Results	Progress	
		(year 2012)	(year 2013)	(year 2014)	2013	2014
<b>Indicator 1</b>	Districts/Municipalities and Communes/Sangkats conduct VRA and workshops to formulate CCA strategies	Initial workshops conducted in 1 Province and 3 Districts/Municipalities. VRA process were conducted in 3 sangkats and 06 communes.	At least 15 communes /sangkats of 2 Provinces and 8 Districts / Municipalities have conducted VRA and CCA strategy workshops	cross-sectoral CCA strategies integrated in Sub-national plans and investment programmes in 8 districts/municipality and at least 30 communes	There were 09 communes/sangkats in TAK Provinces and 3 Districts / Municipalities had conducted VRA and CCA strategy workshops by January, 2013	
<b>Indicator 2</b>	Districts/Municipalities and Communes/Sangkats proposing sub-projects responding to CCA strategies	3 Districts/Municipalities and 9 Communes/Sangkats proposing sub-projects for PBCR grant funding (but not based on fully developed strategy)	3 Districts/Municipalities and at least 20 Communes / Sangkats propose CCA activities	3 Districts/Municipalities and at least 50% of Communes/Sangkats propose CCA activities	3 Districts /Municipalities and at least 20 Communes / Sangkats propose CCA activities	
<b>Outcome objective 2</b>	<b>Systems and procedures for mainstreaming climate change resilience within sub-national government public expenditure management systems, in a fiscally sustainable manner, are proven and available for scaling up.</b>					
	Indicator	Baseline	Target	Results	Progress	
		(year 2012)	(year 2013)	(year 2014)	2013	2014
<b>Indicator 1</b>	% of discretionary budgets (C/S Fund; D/M Fund) in target districts allocated to projects responding to CCA strategies	20%	25% of discretionary budgets in target Districts by 2013	25% of discretionary budgets in target Districts and completed PBCR grants implementation	Under process	



Indicator 2	% of PBCR grants funding projects responding to priorities identified by women, men, youth groups in VRA	10 CCA-related infrastructure projects (Canal, Rural Road and Community Ponds, Water gate, Sewage water managements...ect) and 9 CCA-related strategy planning and service projects that are already prioritize in CIP/CDP 2011 were using PBCR grant through interim programming process of LGCC I in Takeo.	50% of discretionary budgets in target Districts by 2013??	50% of discretionary budgets in target Districts by 2013 .		
Output objective 2	<b>Sub-projects responding to climate change resilience strategies are executed through the sub-national public expenditure management systems in eight districts/Municipalities and at least 30 communes/Sangkats in two annual budget cycles</b>					
	<b>Indicator</b>	<b>Baseline</b> <b>(year 2012)</b>	<b>Target</b> <b>(year 2013 )</b>	<b>Results</b> <b>(year 2014 )</b>	<b>Progress</b>	
Indicator 1	sub-projects are responding to climate change adaptation strategic plans are executed through public expenditure management systems of sub-national administrations in 8 districts/municipality	19 sub-projects implemented with PBCR grant funding in 3 Districts/Municipalities and 09 Communes/Sangkats. Sub-national PEM systems used at C/S level only.	8 Districts/Municipalities and at least 30 Communes/Sangkats execute sub-projects financed by PBCR grants.	8 Districts/Municipalities complete at least 2 sub-project cycles and at least 50% of Communes/Sangkats in target area have implemented sub-projects financed by PBCR grants	Under process	
Indicator 2	Number of beneficiaries (men/women/youth) benefitting from projects responding to CCA strategies.	28,366 (13,594 women) local beneficiaries in 09 target communes/sangkat in 03 district/municipality have participated and benefited from LGCC I project in 2012.	At least 25 % (women, men and youth) of the total community population in 8 districts/Municipality and 30 communes have benefits from the projects	At least 50% (women , men and youth) of the total community population in 8 districts/Municipality and 30 communes have benefits from the projects	Will do next quarter	



Outcome objective 3	National guidelines for sub-national public expenditure management facilitate mainstreaming of climate change resilience, particularly through cooperative action between District/Municipal and Commune/Sangkat Councils and administrations					
	Indicator	Baseline (year 2012)	Target (year 2013)	Results (year 2014 )	Progress	
					2013	2014
<b>Indicator 1</b>	Sub-national planning guidelines adapted to include formulation of cross-sectoral CCA strategies in local development plans	Sub-national planning guidelines treat Climate Change as part of NREM sector	SN planning guidelines of MoP	SN planning guidelines of MoP ( CCA strategy are included in the SN planning guideline)	There was a consultation workshop on mainstreaming the CCA in to Sub-National Planning Guideline in January 2013, and a meeting to establish the CCA working group and set up the road map for CCA mainstreaming on May, 2013.	
<b>Indicator 2</b>	Sub-national Chart of Accounts (CoA) includes code for revenues earmarked for climate change adaptation investments	CoA does not have a code for CCA grant revenues	SN CoA of MEF	SN CoA of MEF	Had discussed with Ministry of Finance and National Treasure to find possibility for special purpose grant code ( Under process)	
<b>Output objective 3</b>	National guideline for sub-national planning, investment programming, medium term expenditure framework and annual budget plan adapted to facilitate integrated, cross-sectoral strategies for climate change resilience implemented jointly by District/Municipal and Commune/Sangkat Councils and Administrations					



	Indicator	Baseline	Target	Results	Progress	
		(year 2012)	(year 2013)	(year 2014)	2013	2014
<b>Indicator 1</b>	Agreement with MoP, NCDDs and other partners reached on integratinon of CCA into sub-natioal planning	Discussions but no agreement reached. Many actors in field	Draft amended guidelines prepared and piloted in LGCC supported Districts/Municipalities and Communes/Sangkats	Amended guidelines approved by NCDD	Under process	
	Agreement with MEF, NCDDs and other partners reached on integration of CCA into sub-national budgeting	Preliminary discussions only.	Draft amended guidelines prepared and piloted in LGCC supported Districts/Municipalities and Communes/Sangkats	Amended guidelines approved by NCDD	Under process	



## 5. Issues encountered

**Issue: Limited time available for preparation and implementation of sub-projects at Battambang Province**

- There was much time consuming in the process of opening LGCCII Bank Account (From January-April).

## 6. Crosscutting issues

### 6.2 Gender

In order to provide the most benefit of the project to the venerable people (women and children) the project had promote the women participation all step of project process (provincial project orientation workshop, VRA training, VRA assessment, District CCA strategy workshop, project planning in CDP and CIP, project priorities and selection, project monitoring and evaluation. In short, the project have promote women participation in all project process and activities to make sure they will get the most benefit from the LGCC project

**6.3** To achieve the LGCC project objectives, the project team have work closely with the provincial administration, concern departments and ministries such as MOP, MOE, MEF and MAFF, development partner like UNDP, CCCA-TF, SGP, PILACII and NAPA-FU and other civil society in the field of CCA

## 7. Key Activities for the next quarter

Key activities to be implemented during the second quarter of 2013 will produce the following results of the project:

- Complete sub-project study and begin sub-project procurement and implementation of sub-projects funded by the Climate Resilience Grants at the Takeo province.
- Organize the VRA training at Battambang province.
- Organize the district CCA strategy workshops at Battambang province.
- Organize project prioritize selection in Battambang province.
- In cooperation with the Ministry of Planning and with the PPCR-1 (Component 2) and NAPA FU and SGP to conduct activities to mainstream CCA in the sub-national planning.



The main activities are:

- National team to assisting/support Sub-national administration in CCA fiscal grant Implementation
- Sub-national team to complete project study and begin procurement process of Commune/Sangkat CC resilient infrastructure project and service projects in target provincial, district/municipality and commune/sangkat in Takeo province.
- Organize the VRA training at Battambang province.
- Organize the district CCA strategy workshops at Battambang province.
- Organize project prioritize selection in Battambang province.
- Mainstreaming CCA in planning; in co-operation with Ministry of Planning and with the PPCR Component 2, NAPA FU and SGP etc...

### 8. Financial Utilization

*Present the Quarterly Financial Report table in the format of NCDDS.*

*Provide any budget narrative should there be any major variances from the planned expenditure.*

Report prepared by:

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Signature:.....

Date: .....May 15, 2013.....

Approved by:

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Date:.....May 15, 2013.....