



## SCALING UP OF THE LOCAL MECHANISM

### LOCAL GOVERNMENTS AND CLIMATE CHANGE (LGCC) PROJECT

# FOURTH QUARTERLY PROGRESS REPORT 2020

<b>PROJECT TITLE:</b>	<b>Local Governments and Climate Change - Scaling Up Climate Resilience Grants in Cambodia: Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems” LGCC-WRP</b>
<b>ORGANISATION:</b>	<b>NCDD SECRETARIAT</b>
<b>REPORTING PERIOD:</b>	<b>01<sup>st</sup> October– 31<sup>st</sup> December 2020</b>
<b>Project Duration:</b>	<b>JANUARY 2020-DECEMBER 2021</b>
<b>Total Approved Budget:</b>	<b>USD 618,487.72</b>
<b>Project Partners:</b>	<b>UNCDF</b>

January 2021

# TABLE OF CONTENT

<b>1. INTRODUCTION.....</b>	<b>3</b>
<b>2. SUMMARY OF KEY ACHIEVEMENTS .....</b>	<b>3</b>
<b>3. KEY ACHIEVEMENTS AGAINST RESULTS FRAMEWORK.....</b>	<b>5</b>
<b>4. SUMMARY FINANCIAL REPORT .....</b>	<b>10</b>
<b>5. KEY CHALLENGES AND ACTIONS TO BE TAKEN .....</b>	<b>10</b>
<b>6. CONCLUSION .....</b>	<b>10</b>
<b>7. WORKPLAN FOR FOURTH QUARTER.....</b>	<b>11</b>

## 1. INTRODUCTION

Local Governments and Climate Change (LGCC) has been implemented in Cambodia since 2011 with technical and financial assistance of “Local Climate Adaptive Living Facility” (LoCAL), aiming support local governments to develop plans and to finance investments in order to enhance the resilience of local communities to the impacts of climate change. LGCC project was designed and implemented within the framework of LoCAL project which is a UNCDF Global project to provide access for local governments in least developed countries to climate change adaptation (CCA) finance.

The LGCC project is implemented by the NCDD Secretariat (NCDDS), consisting of four key results in the areas of (1) sub-national climate change adaptation investments, (2) capacity development, (3) programme development, and (4) learning, innovation and knowledge management, aimed at a strengthened understanding of the climate adaptive benefits resulting from local government action and an expanded range of potential climate change adaptation interventions. The project is implemented in 5 districts of Battambang province and one municipality and 2 districts of Takeo province.

Phase 1 of LGCC was a pilot implemented in 2012 and Phase 2 (LGCC2) was implemented from 2013-2016 with funding support from SIDA. During 2016, SIDA also agreed to provide funding for a Bridging Phase of LGCC from 2017-2019 to continue supporting the LGCC2 and mobilise funds for scaling up the LGCC approach.

In 2019 the UNCDF and NCDDS signed an LoA, with a total budget of USD 260,082, to continue supporting NCDDS aimed at providing capacity development and mainstreaming CCA into district development plan and investment program, assisting the SNAs in completing and closing the investment projects and supporting NCDDS on accreditation process, which was started since 2015, to gain direct access to the Green Climate Fund (GCF).

As a result, in November 2019 NCDDS was recognized as a National Implementing Entity (NIE) of GCF. In May 2020, the LoA 2019 was amended, with an additional budget of USD 103,400, and extended to 2020-2021 to continue supporting NCDDS to go through the accreditation process as an NIE and providing technical assistance to prepare a proposal to GCF for roll out of the LoCAL.

This fourth quarterly progress report covers a period from 01 October-31 December 2020 describing key achievements and challenges as well as actions taken to address these challenges during the reporting period. The report is divided into seven sections as followings:

1. Introduction describing background of LGCC project
2. Summary of key achievements
3. Key achievements against results framework
4. Summary of financial progress
5. Key challenges and actions taken
6. Conclusion and
7. Workplan for the third quarter.

## 2. SUMMARY OF KEY ACHIEVEMENTS

This report covers a three-month period from October-December 2020. During this period, key achievements of the project are described and summarized as followings:

Essentially during this reporting period, public land site of Basak commune has been identified and reserved for constructing the water supply system and TOR for the design of the water supply system which includes technical design, conditions for managing the water supply station and cooperation has been prepared and announced for expression of interest, terms and conditions of the contract for managing the water supply station has been drafted and shared with the investor and concerned people for their comment and input.

On support to NCDDS for GCF accreditation process, key achievements during this period include

audit on the Implementation Plan and Roadmap of NCDDS has been started and Readiness Proposal has been reviewed, revised and sent it back to GCF. NCDDS continued reviewing and revising the LGCC3 proposal based on comment from GCF. At the same time, GCF has also provided a TA support to assist NCDDS in preparing the LGCC3 proposal. Additionally, the formulation of the NCDDS Entity Working Program has been started.

Detailed progress by quarter against result framework of the LGCC project is provided in Table 1: Fourth Quarter Key Achievements against Project Result Framework below.

### 3. KEY ACHIEVEMENTS AGAINST RESULTS FRAMEWORK

**Table 1: Fourth Quarter Key Achievements against Project Result Framework**

Level	Results and Activities	Indicators	Targets 2020	Progress 2020 by Quarter			Sources of Information
				Q1	Q2	Q3	
Outcome	RGC is ready to scale up sub-national climate change adaptation finance nationwide, with access based on a climate vulnerability index and achievement of readiness conditions linked to a sub-national climate change mainstreaming index	<ul style="list-style-type: none"> <li>By mid-2018, all elements of PBCRG system are described in formal guidelines and field tested ready for roll-out</li> </ul>	<ul style="list-style-type: none"> <li>Manuals on Performance Based Grants of NCDD and projects developed based on lessons learnt from LGCC project developed, disseminated and operationalized</li> </ul>	<ul style="list-style-type: none"> <li>Manuals on Performance Based Grants of NCDD and projects disseminated and operationalized</li> </ul>	<ul style="list-style-type: none"> <li>Manuals on Performance Based Grants of NCDD and projects disseminated and operationalized</li> </ul>	<ul style="list-style-type: none"> <li>Approved manuals on Performance Based Grants of NCDD and projects</li> </ul>	
Output	1. Closing LGCC Bridging Phase and builds capacity sub-national government to implement new policies	<ul style="list-style-type: none"> <li>LGCC BP is closed in mid-2020</li> <li>NCDD and CP officials with improved capacity on ESS and GEP</li> </ul>	<ul style="list-style-type: none"> <li>LGCC BP is closed in June 2020</li> <li>Capacity building training for NCDDs and CP officials conducted in Q1 of 2020</li> </ul>	<ul style="list-style-type: none"> <li>Data and information for closing LGCC BP collected from NCDDs and target provinces</li> </ul>	<ul style="list-style-type: none"> <li>Draft end of LGCC BP project report has been prepared</li> </ul>	<ul style="list-style-type: none"> <li>Completed closing report of LGCC BP project prepared using new project closure guideline and approved by NCDDs on 2 September 2020</li> </ul>	<ul style="list-style-type: none"> <li>Approved closing report of LGCC BP project of NCDDs</li> </ul>
Activity	1.1. Support to target provinces and districts to close the projects	<ul style="list-style-type: none"> <li>District and commune projects closed</li> <li>Agreements (Joint Decisions-JD) on the implementation of LGCC/BP project between NCDDs and 2 target provinces closed</li> </ul>	<ul style="list-style-type: none"> <li>District and commune projects closed in Q1</li> <li>JDs on the implementation of LGCC BP project between NCDDs and 2 target provinces closed in Q2</li> </ul>	<ul style="list-style-type: none"> <li>District and commune projects closed in 2019</li> <li>End of JD reports on the implementation of LGCC BP project between NCDDs and 2 target provinces drafted</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>End of JD reports on the implementation of LGCC BP project between NCDDs and 2 target provinces reviewed and approved by NCDDs</li> </ul>	<ul style="list-style-type: none"> <li>Signed contract closing reports of the target districts and communes</li> <li>Singed JD closing reports of BAT and TAK</li> </ul>	

Level	Results and Activities	Indicators	Targets 2020	Progress 2020 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
Activity	1.2. LGCC PB project end assessment and field support	<ul style="list-style-type: none"> <li>End of LGCC BP project assessment conducted and report prepared by mid-2020</li> </ul>	<ul style="list-style-type: none"> <li>End of LGCC BP project assessment conducted and report prepared by mid-2020</li> <li>Assessment report disseminated and shared with relevant stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>End of LGCC BP project assessment conducted and report prepared on 25 March 2020</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>End of LGCC BP project assessment report shared with stakeholders for comments and inputs; and concluded</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Approved LGCC project assessment report of UNCDF-LOCAL</li> </ul>	
Activity	1.3. Builds capacity on Environmental Social Safeguard (ESS) and Gender Equality Policy for Sub-National Democratic Development (GEP) for sub-national government officials	<ul style="list-style-type: none"> <li>Training on ESS and GEP for NCDDDS officials and for Capital and provincial focal persons</li> </ul>	<ul style="list-style-type: none"> <li>Two training on ESS and GEP for NCDDDS officials and for the 75 provincial focal persons conducted in August 2019 and February 2020 respectively</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Two training on ESS and GEP for NCDDDS officials and for the 75 Capital and provincial focal persons conducted in August 2019 and February 2020 respectively</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Training reports of NCDDDS</li> </ul>	
Output	2. Finance mobilised and systems ready for scale-up	<ul style="list-style-type: none"> <li>Funding proposal on LGCC3 submitted to GCF</li> </ul>	<ul style="list-style-type: none"> <li>Concept Note on LGCC3 prepared and submitted to GCF</li> </ul>	<ul style="list-style-type: none"> <li>Consultations with representatives from ministries, SNAs, DPs and CSOs on LGCC3 project formulation conducted</li> </ul>	<ul style="list-style-type: none"> <li>Concept note on LGCC3 drafted and shared with relevant stakeholders for comments and inputs</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>LGCC3 Concept Note submitted to GCF</li> </ul>	<ul style="list-style-type: none"> <li>Draft Concept Note on LGCC3 with comments and input from DPs</li> <li>LGCC 3 proposal of NCDDDS</li> </ul>	
Activity	2.1. Support NCDD for GCF-NIE Accreditation process	<ul style="list-style-type: none"> <li>GCF accreditation conditions reviewed and fulfilled</li> </ul>	<ul style="list-style-type: none"> <li>GCF Accreditation Agreement (AMA) between RGC and GCF signed</li> <li>Implementation plan and Roadmap to fulfill the accreditation conditions formulated in Q1, 2020</li> <li>Readiness proposal developed and</li> </ul>	<ul style="list-style-type: none"> <li>AMA reviewed and comment by NCDDDS</li> <li>Implementation plan and roadmap to fulfill accreditation conditions drafted</li> <li>Readiness proposal to support the implementation plan and roadmap drafted</li> <li>TOR for audit on implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>AMA signed on 08 May 2020</li> <li>Readiness proposal to support the implementation plan and roadmap submitted to GCF</li> <li>TOR for audit on implementation plan and roadmap concluded and communicated with Price Waterhouse</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Readiness Proposal submitted to GCF in September 2020</li> <li>Contract between NCDDDS and PWC for auditing the Implementation Plan and Roadmap signed starting from 1<sup>st</sup> September to 30 November 2020</li> </ul>	<ul style="list-style-type: none"> <li>Signed AMA</li> <li>LGCC3 Concept Note and Readiness proposal of NCDDDS</li> <li>Signed contract between NCDDDS and PWC</li> <li>Draft Grievance Redress Mechanism and Project</li> </ul>	

Level	Results and Activities	Indicators	Targets 2020	Progress 2020 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
Activity	2.2. Review and validating project design to GCF	<ul style="list-style-type: none"> <li>Funding proposal on Local Governments and Climate Change Phase 3 (LGCC3) to GCF approved by end of 2021</li> </ul>	<p>approved by GCF in Q4, 2020</p> <ul style="list-style-type: none"> <li>Audit on the Implementation Plan and Roadmap conducted in Q3, 2020</li> </ul>	<p>and roadmap drafted and shared</p> <ul style="list-style-type: none"> <li>Information Disclosure Policy, and Grievance Redress Mechanism drafted and being reviewed</li> </ul>	<p>Coopers (PWC). NCDDDS has reviewed and negotiated the financial proposal on the audit with PWC</p> <ul style="list-style-type: none"> <li>Information Disclosure Policy and Grievance Redress Mechanism are being reviewed and revised</li> <li>Project Management Manual drafted and being reviewed</li> </ul>	<ul style="list-style-type: none"> <li>NCDDDS coordinated and requested UNDP to support a consultancy on developing NCDDDS Entity Work Programme for the next 5 years. UNDP has supported as requested. TOR of the consultancy developed and advertised,</li> <li>Information Disclosure Policy, Grievance Redress Mechanism and Project Management Manual are being reviewed and revised</li> </ul>	<p>been started in November 2020</p> <ul style="list-style-type: none"> <li>NCDD Information Disclosure Policy approved on 28 October 2020</li> <li>NCDDDS continued reviewing and revising the Grievance Redress Mechanism and Project Management Manual</li> </ul>	<p>Management Manual of NCDD</p> <ul style="list-style-type: none"> <li>Approved Information Disclosure Policy of NCDD</li> </ul>
				<ul style="list-style-type: none"> <li>Concept note on LGCC3 approved by GCF by end of 2020</li> <li>Funding proposal on LGCC3 drafted in consultations with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Concept note on LGCC3 drafted and shared with relevant stakeholders for comments and inputs</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Concept Note on LGCC3 submitted to GCF in September 2020</li> </ul>	<ul style="list-style-type: none"> <li>LGCC3 proposal is being reviewed and revised based on GCF comment</li> <li>GCF has also supported a TA to assist NCDDDS in preparing the LGCC3 proposal</li> <li>TOR of the TA drafted with shared with concerned people</li> </ul>	<ul style="list-style-type: none"> <li>Concept Note on LGCC3 of NCDDDS</li> <li>LGCC3 proposal of NCDDDS</li> <li>Draft TOR developed by NCDDDS</li> </ul>

Level	Results and Activities	Indicators	Targets 2020	Progress 2020 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
Output	3. Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems	<ul style="list-style-type: none"> <li>A pilot project on community water treatment plant to provide safe and resilient water supported and operated by local investor by mid-2021; and managed by commune council</li> </ul>	<ul style="list-style-type: none"> <li>Safe and resilient water treatment plant construction started</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study on the safe and resilient water system in Wat Tamim commune, BAT conducted</li> </ul>	<ul style="list-style-type: none"> <li>Studies to identify a target commune to implement the project</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Basak commune, Rukkari district of BAT selected as a new target area for piloting the project on safe and resilient water supply system</li> </ul>	<ul style="list-style-type: none"> <li>Technical design of the water supply system developed and announcement of interest in December 2020</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study reports of NCDDDS</li> <li>Meeting minutes of BAT</li> <li>Technical design of NCDDDS</li> </ul>
Activity	3.1. Capital investment on infrastructure in water related projects, detail design, and capacity building	<ul style="list-style-type: none"> <li>Safe and resilient water treatment plant constructed and operated</li> <li>Target SNA officials with improved capacity on safe and resilient water management</li> </ul>	<ul style="list-style-type: none"> <li>Safe and resilient water treatment plant concluded, designed and construction started</li> <li>Target SNA officials with improved capacity on safe and resilient water management</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study on the safe and resilient water system in Wat Tamim commune, BAT conducted</li> <li>Agreement between UNCEF and NCDDDS on the establishment, financing and management of water resilient fund in Cambodia drafted</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study to identify on the safe and resilient water system in Wat Tamim commune, BAT stopped due to water supply system in this area has been licensed to a private investor</li> <li>The PMSD team has conducted studies to identify a new target commune to implement the project. Report on the studies prepared and submitted to NCDDDS management for review and advise.</li> <li>Agreement between UNCEF and NCDDDS on the establishment, financing and management of water resilient fund in Cambodia signed in April 2020</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Basak commune, Rukkari district of BAT selected and concluded as a new target area for piloting the project on safe and resilient water supply system</li> <li>BAT has also established a working group chaired by a provincial deputy governor to support the project</li> </ul>	<ul style="list-style-type: none"> <li>Public land site of Basak commune identified, reserved and agreed in October 2020 for constructing the water supply system</li> <li>Technical design of the water supply system developed and announcement of interest in December 2020</li> <li>Draft terms and conditions of contract for managing the water supply system prepared and shared with concerned stakeholders</li> <li>Agreements between NCDDDS and BAT and between BAT and Sangkae District drafted and shared</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study reports of NCDDDS</li> <li>Signed agreement between UNCDF and NCDDDS</li> <li>Field reports and minutes of the meeting of NCDDDS</li> <li>Meeting minutes of BAT</li> </ul>

Level	Results and Activities	Indicators	Targets 2020	Progress 2020 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
Output	<p><b>4. Project Management</b></p>	<ul style="list-style-type: none"> <li>4 contract staff employed to advise and support the project:</li> <li>A project management consultant</li> <li>An ESS advisor</li> <li>A finance officer and</li> <li>A district water management advisor</li> <li>Operation support provided to the project</li> </ul>	<ul style="list-style-type: none"> <li>Project management consultant and finance officer extended in 2020</li> <li>An ESS advisor recruited and employed in Q2, 2020</li> <li>District water management advisor recruited and employed in Q3</li> </ul>	<ul style="list-style-type: none"> <li>Contract of the Project Management Consultant and Finance Officer extended</li> <li>TORs of the ESS Advisor and District Water Management Advisor drafted</li> <li>Operation support to the project from Jan-Mar 2020</li> </ul>	<ul style="list-style-type: none"> <li>Project Management Consultant and Finance Officer function to support the project</li> <li>An ESS advisor recruited and employed</li> <li>Operation support to the project from Apr-Jun 2020</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing Project Management Consultant and Finance Officer function to support the project</li> <li>An ESS advisor recruited and employed</li> <li>Operation support to the project from Apr-Jun 2020</li> </ul>	<ul style="list-style-type: none"> <li>Contracts of Project Management Consultant, Finance Officer and ESS advisor-continued</li> <li>TOR of the District Advisor in Rukkhari, BAT has been prepared and advertised</li> </ul>	<ul style="list-style-type: none"> <li>Signed contracts of NCDDDS staff</li> <li>TOR of district advisor of NCDDDS</li> <li>Advertisement of NCDDDS to select the district advisor</li> </ul>

#### 4. SUMMARY FINANCIAL REPORT

The total budget for 2020 Workplan, according to amendment no.1 made on May 2020, is USD 301,527.72 in which USD 150,000 or 50% of the total budget is allocated for investment on safe and resilience water pilot project in BAT.

The total project expenditure as of this quarter is USD 83,020.59 in which Q4 expenditure is USD 15,809.98. Mainly, the expenditures covered the activities related to closing of LGCC BP and project management and operation including staff salaries and field visits conducted by NCDD and provincial teams.

It should be noticed the expenditure rate is relatively low at 27.53% because it is calculated in comparison to the investment budget of output 3 which the implementation has been delayed and postponed due to change of target commune and COVID-19.

Detailed expenditures of the project by quarter and activity are described in the Q4 financial report.

**Table 2: Summary of Project Expenditure as of 31 December 2020**

Output	2020 Budget	Total Exp.	% Exp.	Balance
Output 1: Closing LGCC Bridging Phase	12,311.00	12,309.66	100%	1.34
Output 2: Finance mobilized and system	4318.00	4,317.17	100%	0.83
Output 3: Innovative Decentralized Water	179,478.00	1,494.70	99.98%	177,983.30
Output 4: Project Management	105,420.72	64,899.06	61.56%	40,521.66
<b>TOTAL</b>	<b>301,527.72</b>	<b>83,020.59</b>	<b>27.53%</b>	<b>218,507.13</b>

#### 5. KEY CHALLENGES AND ACTIONS TO BE TAKEN

During this fourth quarter the project has encountered the global problem of COVID-19 pandemic which has delayed and slowed down the implementation of project activities such as preparation of TOR for the design of the water supply station, audit on implementation plan and roadmap and preparation of LGCC3 proposal. Especially during November and early December, NCDDS staff had to work online from home due to COVID-19 infected the MOI compound. Additionally, development of Manual on Grievance Redress Mechanism and Project Management Manual are still in draft and being reviewed and revised by NCDDS team.

#### 6. CONCLUSION

Despite challenges as mentioned in section 5 above, all 6 project activities have been implemented and achieved acceptable results. TOR for design of the water supply station in Basak commune has been concluded and advertised for expression of interest. The work is expected to start in early 2021. Readiness proposal revised and submitted to GCF. The audit on implementation plan and roadmap and the formulation of NCDDS Entity Work Program have been started as planned. NCDD Information Disclosure Policy approved as planned.

#### 7. WORKPLAN FOR FIRST QUARTER 2021

Priority activities from January-March 2021 to ensure completion of the project are described in the table below:

## 7. WORKPLAN FOR FIRST QUARTER 2021

Priority activities from January-March 2021 to ensure completion of the project are described in the table below:

**Table 3: Priority Activities for Q1, 2021**

No.	Priority Activity	Target date	Responsibility
1.	Select consultancy for the design and build the water supply system in Basak commune	January	NCDDS
2.	Finalise the contract format between the commune and local investor on the implementation and management of the safe and resilient water system	Jan-Mar	NCDDS
3.	Prepare and sign agreements (Joint Decisions) between the NCDDS-BAT and BAT-Rukkhari	Jan-Feb	NCDDS, BAT and Rukkhari
4.	Coordinate and facilitate the PWC to complete the external audit on the Implementation Plan and Roadmap	January	NCDDS
5.	Select the district advisor to support the project in Rukkhari, BAT	January	NCDDS and UNDP
6.	Continue reviewing and revising LGCC3 proposal based on GCF comment and with support of TA	Jan-Mar	NCDDS and MoE
7.	Review and finalise Grievance Procedure and Mechanism	Jan-Mar	NCDDS
8.	Review and finalise the Project Management Manual	Jan-Mar	NCDDS

Date January 12<sup>th</sup>, 2021

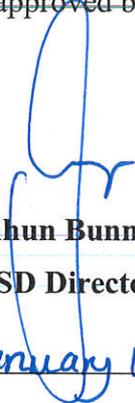
Prepared by:



Name: **Neang Vanny**

Title: **Vice Chief of Office**

Seen and approved by:



Name: **Chhun Bunnara**

Title: **PMSD Director/ NCDDS**

Date: January 12<sup>th</sup>, 2021