



SCALING UP OF THE LOCAL MECHANISM

LOCAL GOVERNMENTS AND CLIMATE CHANGE (LGCC) PROJECT

FIRST QUARTERLY PROGRESS REPORT 2021

PROJECT TITLE:	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
ORGANISATION:	NCDD SECRETARIAT
REPORTING PERIOD:	01st January– 31st March 2021
Project Duration:	JANUARY 2020-DECEMBER 2021
Total Approved Budget:	USD 618,487.72
Project Partners:	UNCDF

April 2021 

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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 first quarterly progress report covers a period from 01 January-31 March 2021 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 January-March 2021. Key achievements of the project are described and summarized as followings:

Importantly during this reporting period, firm for designing the water management system in Basak has been selected. A Joint Decision (agreement) between NCDDS and BAT on the implementation of RESIWAS 2020-2021 signed with a total budget amount of \$US 401,440 and first instalment has been released. External audit on LGCC II concluded with NCDDS management response. District advisor of the project has been recruited and employed to assist Rukhakiri district on the implementation of RESIWAS starting from April 2021.

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

Readiness Proposal has been approved by GCF on 15 December 2020 with a total budget amount of \$UD 517,000 for 24-month period, audit on the Implementation Plan and Roadmap of NCDDS has been completed, LGCC3 proposal have been reviewing and improving by NCDDS based on comments from GCF and NCDDS Entity Working Program 2021-2025 has been formulated.

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: First Quarter Key Achievements against Project Result Framework

Level	Results and Activities	Indicators	Targets 2021	Progress 2021 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
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"> By mid-2018, all elements of PBCRG system are described in formal guidelines and field tested ready for roll-out 	<ul style="list-style-type: none"> Manuals on Performance Based Grants of NCDD and projects developed based on lessons learnt from LGCC project developed, disseminated and operationalized 	•	•	•	•	•
Output	1. Closing LGCC Bridging Phase and builds capacity sub-national government to implement new policies	<ul style="list-style-type: none"> LGCC BP is closed in mid-2020 NCDDS and CP officials with improved capacity on ESS and GEP 	<ul style="list-style-type: none"> NCDDS and CP officials with improved capacity on ESS and GEP 	•	•	•	•	•
Activity	1.1. Support to target provinces and districts to close the projects	<ul style="list-style-type: none"> District and commune projects closed Agreements (Joint Decisions-JD) on the implementation of LGCC BP project between NCDDS and 2 target provinces closed 	•	•	•	•	•	•

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Level	Results and Activities	Indicators	Targets 2021	Progress 2021 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"> End of LGCC BP project assessment conducted and report prepared by mid-2020 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
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"> Training on ESS and GEP for NCDDS officials and for Capital and provincial focal persons 	<ul style="list-style-type: none"> 2 training on ESS and GEP for NCDDS officials and for Capital and provincial focal persons in Target areas of LGCC3 in Q4, 2021 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Output	2. Finance mobilised and systems ready for scale-up	<ul style="list-style-type: none"> Funding proposal on LGCC3 submitted to GCF 	<ul style="list-style-type: none"> LGCC3 proposal approved by GCF by end of 2021 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Activity	2.1. Support NCDD for GCF-NIE Accreditation process	<ul style="list-style-type: none"> GCF accreditation conditions reviewed and fulfilled 	<ul style="list-style-type: none"> Readiness proposal developed and approved and implemented, Audit on the Implementation Plan and Roadmap conducted in Q1, 2021, NCDDS Entity Work Program 2021-2025 formulated and approved in Q1, 2021, 	<ul style="list-style-type: none"> Completed Readiness Proposal approved by GCF on 15 December 2020 with a total budget amount of \$US 517,000 for 24 months, External Audit on the Implementation Plan and Roadmap completed, NCDDS Entity Work Program 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Approved Readiness Proposal of NCDS Approved PWC Audit report EWP document of NCDDS

Level	Results and Activities	Indicators	Targets 2021	Progress 2021 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
			<ul style="list-style-type: none"> • 	2021-2025 with project pipelines formulated and approved by NCDDS				
Activity	2.2. Review and validating project design to GCF	<ul style="list-style-type: none"> • Funding proposal on Local Governments and Climate Change Phase 3 (LGCC3) to GCF approved by end of 2021 • 	<ul style="list-style-type: none"> • Concept Note on LGCC3 approved by GCF by end of 2021, • Funding proposal on LGCC3 drafted and submitted to GCF 	<ul style="list-style-type: none"> • Ongoing • Concept Note on LGCC3 has been reviewing and revising by NCDDS with technical support from UNCDF based on GCF comment, • 	•	•	•	<ul style="list-style-type: none"> • LGCC3 Concept Note
Output	3. Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems	<ul style="list-style-type: none"> • A pilot project on community water treatment plant to provide safe ad resilient water supported and operated by local investor by mid-2021; and managed by commune council 	<ul style="list-style-type: none"> • Basak commune water treatment plant to provide safe ad resilient water supported and operated by local investor by end of 2021; and managed by commune council 	•	•	•	•	•
Activity	3.1. Capital investment on infrastructure in water related projects, detail design, and capacity building	<ul style="list-style-type: none"> • Safe and resilient water treatment plant constructed and operated • Target SNA officials with improved capacity on safe and resilient water management 	<ul style="list-style-type: none"> • Safe and resilient water treatment plant concluded, designed and construction started • Target SNA officials with improved capacity on safe and resilient water management 	<ul style="list-style-type: none"> • A firm for designing and constructing the water supply system in Basak commune has been reviewed and selected, • An orientation training on RESIWAS conducted for officials of Rukhakiri district with participation of 	•	•	•	<ul style="list-style-type: none"> • NCDDS bidding documents • Orientation report

Level	Results and Activities	Indicators	Targets 2021	Progress 2021 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
				province and UNCDF				
Output	4. Project Management	<ul style="list-style-type: none"> • 3 contract staff employed to advise and support the project: • A project management consultant • A finance officer and • A district water management advisor • Operation support provided to the project 	<ul style="list-style-type: none"> • Project management consultant and finance officer extended in 2021, • District water management advisor recruited and employed in Q1, 2021 	<ul style="list-style-type: none"> • Contract of the Project Management Consultant and Finance Officer extended • District Water Management Advisor recruited and will start the job from April 2021, • Operation support to the project from Jan-Mar 2021 	•	•	•	<ul style="list-style-type: none"> • Signed contracts of NCDDS staff, •

4. SUMMARY FINANCIAL REPORT

The total project budget for 2021 is US\$ 535,467.13. As of 31 March 2021, the total project expenditure is US\$ 11,722.50. Mainly, this expenditure relates to project management.

Detailed expenditures of the project by quarter and activity are described in the Q1 financial report.

Table 2: Summary of Project Expenditure as of 31 March 2021

Output	2021 Budget	Total Exp.	% Exp.	Balance
Output 3: Innovative Decentralized Water	432,431.30	5.00	0.00%	432,426.3
Output 4: Project Management	103,035.83	11,717.50	11.37%	91,318.3
TOTAL	535,467.13	11,722.50	2.19%	523,744.63

5. KEY CHALLENGES AND ACTIONS TO BE TAKEN

During this first quarter the project has faced the global problem of COVID-19 pandemic which has delayed and slowed down the implementation of project activities such as recruitment of the firm for design and construction of the water system project in Basak, formulation of NCDDS Entity Work Programme 2021-2025 and audit on implementation plan and roadmap. Especially since March 2021, the NCDDS office has been closed and the staff had to work online from home due to the serious problem of COVID-19.

6. CONCLUSION

Despite challenges as mentioned in section 5 above, the project has been implemented and achieved some key results such as a firm for design and construction of the water supply station in Basak commune selected, audit on implementation plan and roadmap completed and NCDDS Entity Work Programme 2021-2025 formulated. LGCC3 Concept Note has been reviewing and improving based on GCF comments.

7. WORKPLAN FOR FIRST QUARTER 2021

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

Table 3: Priority Activities for Q2, 2021

No.	Priority Activity	Target date	Responsibility
1.	Select and sign contract with the firm to design and to build the water supply system in Basak commune	May	NCDDS
2.	Formulate a workplan with clear activities, budget and timeframe for implementing the Readiness Proposal and disseminate to concerned staff of NCDDS	April-May	NCDDS

3.	Prepare TORs and recruit consults, advisors and firms for implementing the Readiness Proposal	April-June	NCDDS
4.	Continue reviewing and improving LGCC3 Concept Note with GCF technical support	April-May	NCDDS, UNCDF and GCF
5.	Start working on LGCC3 proposal with PPF support	April-June	NCDDS and Consultant
6.	Prepare and finalise mechanisms, procedures and documents to fulfill accreditation conditions as well as for implementing the Readiness Proposal	April-June	NCDDS

Date April 29th, 2021

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Date: April 29th, 2021