



**SCALING UP OF THE LOCAL MECHANISM
LOCAL GOVERNMENTS AND CLIMATE CHANGE (LGCC) PROJECT**

FIRST QUARTERLY PROGRESS REPORT 2020

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

June 2020 *[Signature]*

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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 2020 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 2020 describing key achievements and challenges encountered 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 second quarter.

2. SUMMARY OF KEY ACHIEVEMENTS

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

Importantly during this reporting period, closing contract reports of the 36 district and commune projects have been prepared and signed by the target districts and communes. End of Joint Decision (JD) reports between NCDDS and target provinces of TAK and BAT have been prepared and signed.

End of LGCC BP project (2017-2019) assessment was conducted by an assessment team and commissioned by the UNCDF LoCAL Programme from January-March 2020. The final report of the assessment prepared and submitted by the consultant to UNCDF on 25 March 2020 and being circulated, reviewed and comment by the relevant stakeholders.

As planned, 2 training on Environmental and Social Safeguards (ESS) and Gender Equality Policy were conducted on 26 November 2019 and 3-4 February 2020 for NCDDS and Capital and provincial technical staff respectively.

On GCF accreditation process, NCDDS has drafted the implementation plan and roadmap on the to fulfill the accreditation conditions and shared with relevant stakeholders for comment and input. TOR on external audit of the implementation plan and roadmap has been drafted. Accreditation Master Agreement (AMA) between the RGC and GCF has been reviewed and revised by NCDDS and planned to finalize in Q2, 2020.

Additionally, NCDDS supported to draft 2 program operation documents namely Information Disclosure Policy and Grievance Redress Procedure and Mechanism. The documents are being reviewed and revised by NCDDS team and planned to complete in Q2, 2020.

Detailed progress by quarter against result framework of the LGCC project is provided in Table 1: First 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 2020	Progress 2020 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 	<ul style="list-style-type: none"> Manuals on Performance Based Grants of NCDD and projects disseminated and operationalized 	<ul style="list-style-type: none"> Manuals on Performance Based Grants of NCDD and projects disseminated and operationalized 	•	•	<ul style="list-style-type: none"> Approved manuals on Performance Based Grants of NCDD and projects •
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 NCDDDS and CP officials with improved capacity on ESS and GEP 	<ul style="list-style-type: none"> LGCC BP is closed in June 2020 Capacity building training for NCDDDS and CP officials conducted in Q1 of 2020 	<ul style="list-style-type: none"> Data and information for closing LGCC BP collected from NCDDDS and target provinces • 	<ul style="list-style-type: none"> End of LGCC BP project report is being drafted • 	•	•	<ul style="list-style-type: none"> Draft end of LGCC BP project closing report of NCDDDS •
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 NCDDDS and 2 target provinces closed 	<ul style="list-style-type: none"> District and commune projects closed in Q1 JDs on the implementation of LGCC BP project between NCDDDS and 2 target provinces closed in Q2 	<ul style="list-style-type: none"> District and commune projects closed in 2019 End of JD reports on the implementation of LGCC BP project between NCDDDS and 2 target provinces drafted 	<ul style="list-style-type: none"> End of JD reports on the implementation of LGCC BP project between NCDDDS and 2 target provinces reviewed by NCDDDS 	•	•	<ul style="list-style-type: none"> Signed contract closing reports of the target districts and communes Singed JD closing reports of BAT and TAK

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"> • End of LGCC BP project assessment conducted and report prepared by mid-2020 	<ul style="list-style-type: none"> • End of LGCC BP project assessment conducted and report prepared by mid-2020 • Assessment report disseminated and shared with relevant stakeholders 	<ul style="list-style-type: none"> • End of LGCC BP project assessment conducted and report prepared and submitted on 25 March 2020 	<ul style="list-style-type: none"> • End of LGCC BP project assessment report shared with stakeholders for comments and inputs; and concluded 			<ul style="list-style-type: none"> • Approved LGCC project assessment report of UNCDF-LOCAL
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 NCDD officials and for Capital and provincial focal persons 	<ul style="list-style-type: none"> • Two training on ESS and GEP for NCDD officials and for the Capital and provincial focal persons conducted in Q1, 2020 	<ul style="list-style-type: none"> • Two training on ESS and GEP for NCDD officials and for the 75 Capital and provincial focal persons conducted in August 2019 and February 2020 respectively 				<ul style="list-style-type: none"> • Training reports of NCDD
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"> • Concept Note on LGCC3 prepared and submitted to GCF 	<ul style="list-style-type: none"> • Consultations with representatives from ministries, SNAs, DPs and CSOs on LGCC3 project formulation conducted 	<ul style="list-style-type: none"> • Concept note on LGCC3 drafted and shared with relevant stakeholders for comments and inputs 			<ul style="list-style-type: none"> • Draft Concept Note on LGCC3 with comments and input from DPs
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"> • GCF Accreditation Agreement (AMA) between RGC and GCF signed • Implementation plan and Roadmap to fulfill the accreditation conditions formulated in Q1, 2020 • Readiness proposal developed and approved by GCF in Q4, 2020 	<ul style="list-style-type: none"> • AMA reviewed and comment by NCDD • Implementation plan and roadmap to fulfill accreditation conditions drafted • Readiness proposal to support the implementation plan and roadmap drafted • TOR for audit on implementation plan 	<ul style="list-style-type: none"> • AMA signed on 07 May 2020 • Readiness proposal to support the implementation plan and roadmap submitted to GCF • TOR for audit on implementation plan and roadmap concluded and communicated with Price Water House (PWC) 			<ul style="list-style-type: none"> • Signed AMA • Draft Implementation Plan and Roadmap of NCDD • Audit TOR • Draft Information Disclosure Policy, Grievance Redress Mechanism and Project Management Manual of NCDD

Level	Results and Activities	Indicators	Targets 2020	Progress 2020 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
			<ul style="list-style-type: none"> • Audit on the Implementation Plan and Roadmap conducted in Q3, 2020 	<ul style="list-style-type: none"> • and roadmap drafted and shared • Information Disclosure Policy, and Grievance Redress Mechanism drafted and being reviewed 	<ul style="list-style-type: none"> • Information Disclosure Policy and Grievance Redress Mechanism are being reviewed and revised • Project Management Manual drafted and being reviewed 			
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 2020 • Funding proposal on LGCC3 drafted in consultations with stakeholders 	<ul style="list-style-type: none"> • Consultations with representatives from ministries, SNAs, DPs and CSOs on LGCC3 project formulation conducted 	<ul style="list-style-type: none"> • Concept note on LGCC3 drafted and shared with relevant stakeholders for comments and inputs 	•	•	<ul style="list-style-type: none"> • Draft Concept Note on LGCC3 with comments and input from DPs • Consultation reports of NCDDDS
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 and resilient water supported and operated by local investor by mid-2021; and managed by commune council 	<ul style="list-style-type: none"> • Safe and resilient water treatment plant construction started 	<ul style="list-style-type: none"> • Feasibility study on the safe and resilient water system in Wat Tamim commune, BAT conducted 	<ul style="list-style-type: none"> • Feasibility study on the safe and resilient water system in Wat Tamim commune, BAT continued 	•	•	<ul style="list-style-type: none"> • Feasibility study reports of NCDDDS
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"> • Feasibility study on the safe and resilient water system in Wat Tamim commune, BAT conducted • Agreement between UNCEF and NCDDDS on the establishment, financing and management of water resilient fund in Cambodia drafted 	<ul style="list-style-type: none"> • Feasibility study on the safe and resilient water system in Wat Tamim commune, BAT continued • Agreement between UNCEF and NCDDDS on the establishment, financing and management of water resilient fund in Cambodia signed in April 2020 	•	•	<ul style="list-style-type: none"> • Feasibility study reports of NCDDDS • Signed agreement between UNCDF and NCDDDS

Level	Results and Activities	Indicators	Targets 2020	Progress 2020 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
					<ul style="list-style-type: none"> • Formats of agreements between NCDDS and BAT and between BAT and Sangkae District drafted and shared for comment and input 			
Output	4. Project Management	<ul style="list-style-type: none"> • 4 contract staff employed to advise and support the project: • A project management consultant • An ESS advisor • 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 2020 • An ESS advisor recruited and employed in Q2, 2020 • District water management advisor recruited and employed in Q3 	<ul style="list-style-type: none"> • Contract of the Project Management Consultant and Finance Officer extended • TORs of the ESS Advisor and District Water Management Advisor drafted • Operation support to the project from Jan-Mar 2020 	<ul style="list-style-type: none"> • Project Management Consultant and Finance Officer function to support the project • An ESS advisor recruited and employed • Operation support to the project from Apr-Jun 2020 	•	•	<ul style="list-style-type: none"> • Signed contracts of NCDDS staff

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 for this first quarter is USD 26,557.84. Most of this expenditure mainly 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 8.81% because it is calculated in comparison to the investment budget which is planned to implement in Q4, 2020. However, this total expenditure during this period has actually been made according to the planned budget in Q1, 2020 with a total amount of USD 25,387.00.

Table 2: Summary of Project Expenditure as of 31 March 2020

Output	2020 Budget	Total Exp.	% Exp.	Balance
Output 1: Closing LGCC Bridging Phase	12,577.00	9,083.66	72.22	3,493.34
Output 2: Finance mobilised and system	4,495.00	1,575.00	35.04	2,920.00
Output 3: Innovative Decentralized Water	175,750.00	0.00	0.00	175,750.00
Output 4: Project Management	108,705.72	15,899.18	14.63	92,806.54
TOTAL	301,527.72	26,557.84	8.81	274,969.88

5. KEY CHALLENGES AND ACTIONS TO BE TAKEN

Despite the key achievements as described in section 2 and section 3, the project implementation during this first quarter has encountered the global problem of COVID-19 pandemic. This has cause delay and postponed some of the project activities such as delay in conducting a feasibility study on water project as well as the commencement of the project on safe and resilience project in BAT and consultations with relevant stakeholders for developing the concept note on LGCC3 project for GCF funding.

In addressing this problem and improving project implementation in the coming quarters, PMSD will establish networks within NCDDS and change its strategies in communicating and working with project stakeholders via online such as Skype, BlueJeans and other ways as effective and appropriate.

6. CONCLUSION

In summary all 6 activities and management activity of the project have been implemented and mainly achieved results as planned for instance the project contracts and agreements with the BAT and TAK have been closed, training on ESS and GEP have been conducted, Implementation Plan and Roadmap and Information Disclosure Policy and Grievance Redress Mechanism have been drafted as planned. However, some activities such as feasibility study on water project in BAT and formulation of concept note on LGCC3 to GCF have been slower than expected due to COVID-19 pandemic.

7. WORK PLAN FOR SECOND QUARTER

Priority activities from April-June 2020 to ensure completion of the project are described in the table below:

Table 3: Priority Activities for Q2, 2020

No.	Priority Activity	Target date	Responsibility
1	Review and finalise LGCC PB project end assessment		UNCDF
2	Finalise AMA between RGC and GCF		NCDDS
3	Finalize and submit the Implementation Plan and Roadmap to GCF		NCDDS
4	Finalise the TOT for external audit on the Implementation Plan and Roadmap		NCDDS
5	Conduct external audit on the Implementation Plan and Roadmap		NCDDS
6	Review and finalise the Information Disclosure Policy and Grievance Procedure and Mechanism		NCDDS
7	Draft the Project Management Manual		NCDDS and UNCDF
8	Prepare a Concept Note on LGCC3		NCDDS and UNCDF
9	Conduct feasibility study on the safe and resilient water system in Wat Tamim commune, BAT		NCDDS and UNCDF
10	Draft agreements between NCDDS and BAT; and between BAT and Sangkae district on the implementation of a safe and resilient water system project		NCDDS
11	Recruit and employ an ESS advisor to support the project		NCDDS

Date April 10, 2020

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Date: April 10, 2020