



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

**SECOND QUARTERLY PROGRESS REPORT 2021**

**PROJECT TITLE:** LOCAL GOVERNMENTS AND CLIMATE CHANGE  
**ORGANISATION:** NCDD SECRETARIAT  
**REPORTING PERIOD:** 01<sup>st</sup> April– 30<sup>th</sup> June 2021  
**Project Duration:** JANUARY 2020-DECEMBER 2021  
**Total Approved Budget:** USD 618,487.72  
**Project Partners:** UNCDF

**July 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), aimed at supporting 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 second quarterly progress report covers a period from 01 April-30 June 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
6. Conclusion and
7. Workplan for the third quarter.

## 2. SUMMARY OF KEY ACHIEVEMENTS

This report covers a three-month period from April-June 2021. Key achievements of the project are described and summarized as followings:

Importantly during this reporting period, project staff, advisor, target SNA officials and private investor have been built capacity on project management and implementation procedures, GRET organization has been selected for designing the water supply system of Basak commune and agreement on management of the water supply system has been reviewed and comment by UNCDF. Integration of ESS Policy into CS-PIM has been started in early June by a consultant seconded by UNCDF.

On project design to GCF, NCDDS has coordinated and cooperated with UNDP, GGGI and UNCDF

to develop 2 concept notes on agroecological transitions, climate resilient water and sanitation (CR-WASH) improvements in flood and draught prone secondary cities; and 2 readiness proposals on subnational financing framework and to support formulation of 2 concept notes on resilient cities and low carbon transport.

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

### 3. KEY ACHIEVEMENTS AGAINST RESULTS FRAMEWORK

Table 1: Second 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"> <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>	•	•	•	•	•
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>NCDDS and CP officials with improved capacity on ESS and GEP</li> </ul>	<ul style="list-style-type: none"> <li>NCDDS and CP officials with improved capacity on ESS and GEP</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>	•	•	•	•	•	•

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"> <li>End of LGCC BP project assessment conducted and report prepared by mid-2020</li> </ul>	<ul style="list-style-type: none"> <li>2 training on ESS and GEP for NCDDDS officials and for Capital and provincial focal persons in Target areas of LGCC3 in Q4, 2021</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></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></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>2 training on ESS and GEP for NCDDDS officials and for Capital and provincial focal persons in Target areas of LGCC3 in Q4, 2021</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li><b>Ongoing</b></li> <li>ESS Policy is being integrated into CS PIM with technical assistance from a consultant seconded by UNCDF. The assignment has started in early June 2021</li> <li>Translation of CS PIM has been reviewed and updated for this purpose</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>Updated translation of CS PIM</li> <li>Signed contract of consultant</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>LGCC3 proposal approved by GCF by end of 2021</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></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></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>Readiness proposal developed and approved and implemented.</li> <li>Audit on the Implementation Plan and Roadmap conducted in Q1, 2021.</li> <li>NCDDDS Entity Work Program 2021-2025</li> </ul>	<ul style="list-style-type: none"> <li><b>Completed</b></li> <li>Readiness Proposal approved by GCF on 15 December 2020 with a total budget amount of \$US 517,000 for 24 months.</li> <li>External Audit on the</li> </ul>	<ul style="list-style-type: none"> <li><b>Ongoing</b></li> <li>Readiness proposal has been implemented: <ul style="list-style-type: none"> <li>Project team assigned</li> <li>TORs of consultancies prepared and advertised</li> </ul> </li> <li>During this quarter, NCDDDS has also been preparing documents for</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>Approved Readiness Proposal of NCDS</li> <li>Approved PWC Audit report</li> <li>EWP document of NCDDDS</li> </ul>

Level	Results and Activities	Indicators	Targets 2021	Progress 2021 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>	<ul style="list-style-type: none"> <li>Concept Note on LGCC3 approved by GCF by end of 2021,</li> <li>Funding proposal on LGCC3 drafted and submitted to GCF</li> </ul>	<p>Implementation Plan and Roadmap completed.</p> <ul style="list-style-type: none"> <li>NCDDDS Entity Work Program 2021-2025 with project pipelines formulated and approved by NCDDDS</li> </ul>	<p>NIE accreditation process of Adaptation Fund.</p>	<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>• LGCC3</li> <li>• Concept Note</li> <li>• Draft concept note of GGGI</li> <li>• Draft concept note of UNDP</li> <li>• Draft readiness proposals of UNDP and UNCDF</li> </ul>

Level	Results and Activities	Indicators	Targets 2021	Progress 2021 by Quarter				Sources of Information	
				Q1	Q2	Q3	Q4		
Output	<b>3. Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems</b>	<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>Basak commune water treatment plant to provide safe and resilient water supported and operated by local investor by end of 2021; and managed by commune council</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>A firm for designing and constructing the water supply system in Basak commune has been reviewed and selected.</li> <li>An orientation training on RESIWAS conducted for officials of Rukkhakiri district with participation of province and UNCDF</li> </ul>	<ul style="list-style-type: none"> <li>A capacity development training on procedures for LGCC/RESIWAS project management and implementation conducted on 04 May 2021 for staff responsible for the project of NCDDS, BAT, Rukkhakiri district, Basak commune and private investor</li> <li>GRET Organization has been selected in June for designing the clean water supply system of Basak commune</li> <li>TOR to review and enhance the agreement on clear water supply system of Basak commune, Rukkhakiri district, BAT drafted</li> </ul>	•	•	•	<ul style="list-style-type: none"> <li>NCDDS bidding documents</li> <li>Orientation and training reports of the project</li> <li>Procurement report of NCDDS</li> <li>Draft TOR</li> </ul>

Level	Results and Activities	Indicators	Targets 2021	Progress 2021 by Quarter				Sources of Information
				Q1	Q2	Q3	Q4	
Output	4. Project Management	<ul style="list-style-type: none"> <li>3 contract staff employed to advise and support the project:</li> <li>A project management consultant</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 2021,</li> <li>District water management advisor recruited and employed in Q1, 2021</li> </ul>	<ul style="list-style-type: none"> <li>Contract of the Project Management Consultant and Finance Officer extended</li> <li>District Water Management Advisor recruited and will start the job from April 2021,</li> <li>Operation support to the project from Jan-Mar 2021</li> </ul>	<ul style="list-style-type: none"> <li>Technical and financial support provided to the project</li> <li>Quarterly project activity report and monthly financial reports prepared on a regular basis and on time</li> <li>Operations support provided to the project</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>Signed contracts of NCDDS staff,</li> <li></li> </ul>

#### 4. SUMMARY FINANCIAL REPORT

The total project budget for 2021 is US\$ 535,467.13. As of 30 June 2021, the total project expenditure is US\$ 25,441.85. Mainly, this expenditure relates to project management.

Detailed expenditures of the project by quarter and activity are described in the Q2 financial report.

**Table 2: Summary of Project Expenditure as of 30 June 2021**

Output	2021 Budget	Total Exp.	% Exp.	Balance
Output 3: Innovative Decentralized Water	432,431.30	5.00	0.00%	432,426.30
Output 4: Project Management	103,035.83	25,436.85	24.69%	77,598.98
<b>TOTAL</b>	<b>535,467.13</b>	<b>25,441.85</b>	<b>4.75%</b>	<b>510,025.28</b>

#### 5. KEY CHALLENGES

During this second quarter, COVID-19 pandemic has severely impact Phnom Penh Capital. Most public and private agencies were instructed to close their office and staff had to work online from home. NCDDES office, has no exception, and was entirely closed during this reporting period. This has resulted in further delay and slowdown the implementation of project activities especially selecting and contracting the firm to design the clean water supply system of Basak commune.

Additionally, NCDDES coordination and cooperation with partners in formulating concept notes and readiness proposals to GCF have also been done slowly.

#### 6. CONCLUSION

Despite challenges as mentioned above, the project has been implemented and achieved some results such as project staff, target SNAs and private contractor have been built capacity on project management and implementation, GRET Organization has been selected for designing the Basak clean water supply system.

On project design to GCF, implementation of readiness proposal on LGCC3 has been started with establishment of project team and advertisement of consultancies. NCDDES coordinated and cooperated with UNDP, GGGI and UNCDF to draft 2 concept notes and 2 readiness proposals to mobilize resources from GCF.

#### 7. WORKPLAN FOR THIRD QUARTER 2021

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

**Table 3: Priority Activities for Q3, 2021**

No.	Priority Activity	Target date	Responsibility
1.	Prepare and sign contract with the GRET Organization to design the water supply system of Basak commune	July	NCDDES

2.	Conduct study and prepare a detailed design of the water supply system of Basak commune	July-September	GRET, NCDDDS, SNA and private investor
3.	Prepare and implement a consolidate workplan on Readiness Proposal of LGCC-3	July	NCDDDS
4.	Select and employ consultants, advisors, staff and firms for implementing the Readiness Proposal on LGCC3	July-August	NCDDDS
5.	Continue integrating ESS Policy into CS-PIM	July-September	Consultant and NCDDDS
6.	Recruit a short-term consultant to review and enhance the agreement on clean water supply system of Basak commune	July-August	UNCDF
7.	Continue coordinating and cooperating with GGGI, UNDP and UNCDF to review and improve the Concept Notes and Readiness Proposals to GCF	April-May	NCDDDS, UNCDF and GCF

Date 06-July-2021  
Prepared by:



Name: **Chum Socheat**

Title: **Chief of Office**

Seen and approved by:



Name: **Chhun Bunnara**

Title: **PMSD Director/ NCDDDS**

Date: 06-July-2021