

Our Reference No: **PMIS-PMU019**

**12<sup>th</sup> August 2019**

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Subject: **Integrated Urban Environmental Management in the Tonle Sap Basin Project (IUEMTSBP) Submission Quarterly Progress Report No. 10 the period from 1<sup>st</sup> April to 30<sup>th</sup> June 2019**

**Dear Excellency,**

Please find the attached the **Quarterly Progress Report No. 10 (QPR)** for Integrated Urban Environmental Management in the Tonle Sap Basin Project (**IUEMTSBP**) covering the period between **1<sup>st</sup> April to 30<sup>th</sup> June 2019** for your kind perusal and comments. We regret the delay in submission of this report.

Thank you in advance for your kind assistance and support.

Sincerely yours,



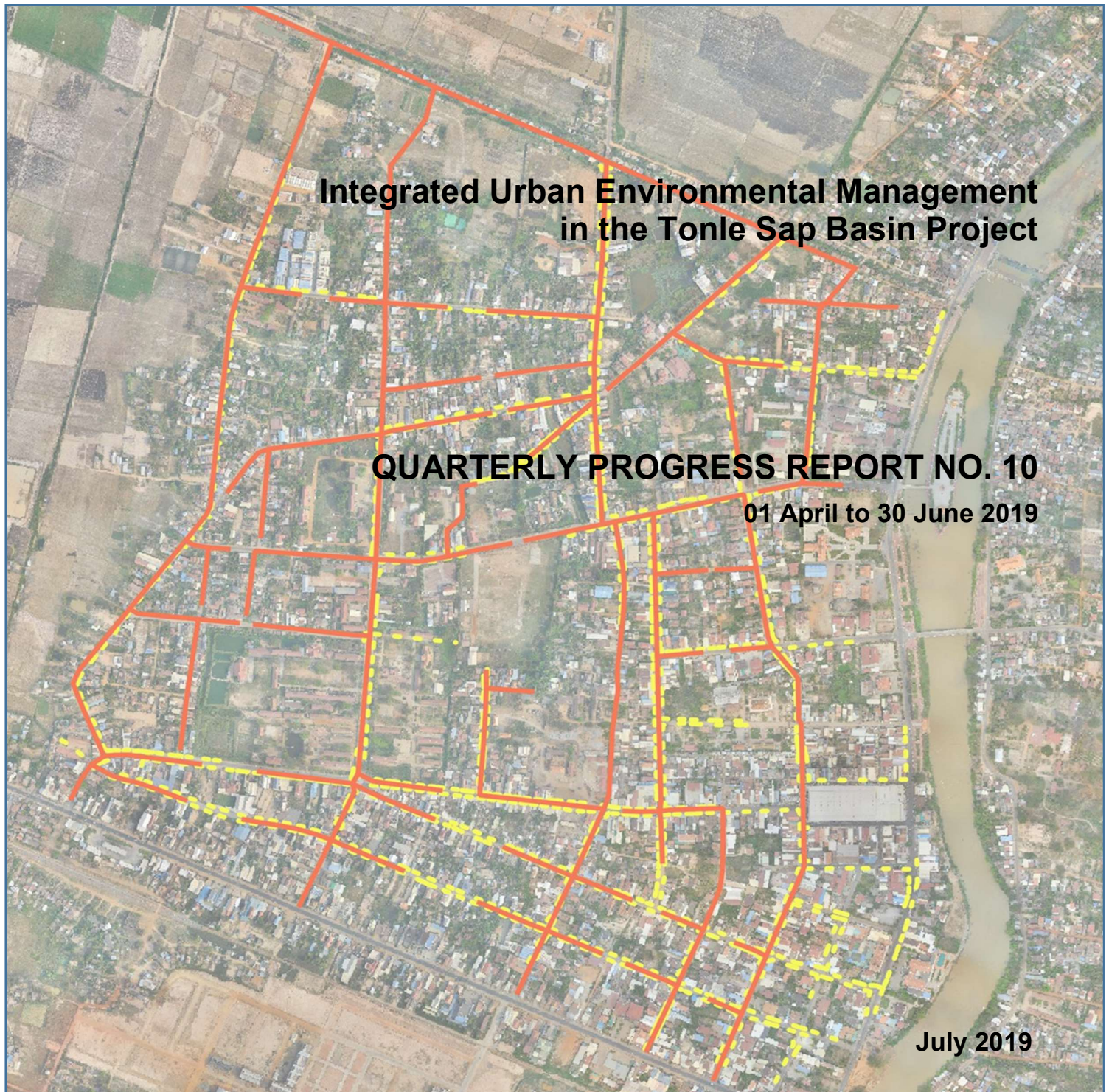
**Mr. Louis RIJK**

Team Leader/Civil Engineer  
PMIS Consultants (**IUEMTSBP**)  
Korea Engineering Consultant Corp

cc: *ADB*  
*KECC*

File: *Admin*

Encl.: *QPR No. 10*



SUBMITTED BY\_



IN JOINT VENTURE WITH\_



IN ASSOCIATION WITH\_



**Consulting Services for Project Management and Implementation Support (PMIS, Package 1)**

*Integrated Urban Environmental Management in the Tonle Sap Basin Project (IUEMTSBP)*

*ADB LoanNo.3311-CAM (SF) / 8295-CAM (SCF) / Grant 0454-CAM--Contract No. PMU/MPWT/IUEMTSP/QCBS/16/001*

## INTEGRATED URBAN ENVIRONMENTAL MANAGEMENT IN THE TONLE SAP BASIN PROJECT

### QUARTERLY PROGRESS REPORT No.10

01 APRIL – 30 JUNE, 2019

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**ABBREVIATIONS**

ADB	Asian Development Bank
AH	Affected household
AM	Aide Memoire
ASEAN	Association of Southeast Asian Nations
CMEI	Community Mobilization and Environmental Improvements
CSEC	Cambodia Socio-Economic Consensus
CBO	Community-based Organization
CDT	Capacity Development and Training
CMEI	Community Mobilization and Environmental Improvements
DEF	Provincial Department of Economy and Finance
MEF	Ministry of Economy and Finance
DMF	Design and monitoring framework
EA	Executing Agency
EMP	Environmental management plan
GMS	Greater Mekong Subregion
ICB	International competitive bidding
IDPoor	Identification of Poor Households Programme
IEC	Information, education and communication
IEE	Initial environmental examination
JICA	Japan International Cooperation Agency
MEF	Ministry of Economy and Finance
MOE	Ministry of Environment
MOWRAM	Ministry of Water Resources and Meteorology
MPWT	Ministry of Public Works and Transport
NCB	national competitive bidding
NGOs	Nongovernment organizations
OJT	On-the-job training
O&M	Operation and maintenance
PAM	Project administration manual
PDPWT	Provincial departments of public works and transport
PIU	Project implementation unit
PMIS	Project management and implementation support
PMU	Project management unit
PPCR	Pilot program for climate resilience
PMIS	Project Management Implementation and Supervision
PPP	Public Private Partnership
PSP	Private Sector Participation
RP	Resettlement plans
SWM	Solid waste management
SNA	Sub-National Authorities
SWC	Solid Waste Committee
TOR	Terms of reference
TSA	Tonle Sap Authority
UGSW	Urban Garbage and Solid Waste
USU	Urban Services Unit (Municipal)

## 1 EXECUTIVE SUMMARY

### 1.1 Background

1. The project was approved on 10 November 2015 and declared effective on 2 March 2016. The project aims to increase economic activities and environmental protection in the towns of Kampong Chhnang and Pursat in the Tonle Sap Basin. The outcome is expected to be improved urban services and enhanced climate change resilience in Kampong Chhnang and Pursat municipalities. The project has five outputs: (i) Kampong Chhnang Urban Area Improvements; (ii) Pursat Urban Area Improvements; (iii) Community Mobilization and Environmental Improvements, (iv) Strengthened Sector Coordination and Operations and (v) Strengthened Capacity for Project Implementation and operations and maintenance (O&M). The key infrastructure financed under the project included flood protection infrastructure (embankment)<sup>1</sup>, construction of a new landfill facility and improvement of solid waste management and community-driven environmental improvements in Kampong Chhnang; and improvement of the storm water drainage, treatment of waste water, construction of a new landfill facility improvement of solid waste management and community-driven environmental improvements in Pursat. The planned improvements of the river embankment along the Tonle Sap have been cancelled as these improvements will be financed under an EU financed project. On the 6th of February 2019 the Ministry of Economy and Finance (MEF) requested that the subproject be cancelled due to the inability to bring the subproject in compliance with the ADB SPS. As alternative investment options the construction of a sewerage system with a WWTP and the improvement/expansion of the existing drainage system are proposed.

### 1.2 Overall Project Progress

2. The overall physical progress of project implementation can be summarized as follows:

Elapsed Time	46.46%
Physical Progress	22.20%
Contract Award Lag	32.97%
Disbursement Lag	39.16%
Project - Lag	24.26%

3. As per the revised implementation schedule (see annex 1) the actual progress is now about 7 weeks behind the planned progress at the end of this reporting period (30-09-2018)

4. The financial progress of the project can be summarized as follows.

Allocation	46,629,923
Contracts Awarded	5,798,909
Uncontracted Loan Balance	40,831,014
Contracts Disbursed	3,139,764
Undisbursed Loan Balance	43,490,159
Undisbursed Contract Balance	2,659,145

### Kampong Chhnang Urban Environmental Improvements

Flood Protection Embankment	The detailed engineering design for the Kampong Chhnang embankment (\$17.30m) has been completed and bidding documents prepared. Based on the outcome of the geotechnical investigations minor changes in the foundation and toe protection of the embankment will be required in the section along the Tonle Sap river bank. In its letter of 6 February the MEF has requested ADB for the cancellation of the embankment construction as the resettlement plan of April 2015 could not be implemented..
Alternative Investment Options for Kampong Chhnang	During the midterm review it was proposed that the USD 19M that would be freed up by the cancellation of the embankment could be applied to the construction of; (i) a sewerage system for urban areas in Kampong Chhnang town where the high concentration of houses does not allow for the installation of individual sanitation solutions. The

<sup>1</sup> The MEF has requested to cancel this infrastructure component, giving as reason for the cancellation that the resettlement plan for the Kampong Chhnang Embankment dated April 2015, could not be implemented

sewerage system would also include the construction of a WWTP, and; the improvement of the existing drainage system with a focus on canalizing the overland runoff from higher rural and peri-urban areas that passes through the northern part of the urban area of Kampong Chhnang town. A preliminary proposal for the investment options was prepared for discussion during the midterm review

Improved Solid Waste management The bidding documents and invitation for bids for the landfill in Kampong Chhnang and Pursat (\$2.25m) were approved by ADB on 7 September 2018. Bidding process has been completed and winning bid selected, however the contract could not be awarded because of delays in the preparation of the DDR and DRP. Bid validity has been extended to 15 August 2019

### **Pursat Urban Environmental Improvements**

Improvement Drainage in Pursat Town and Waste Water Treatment The detailed design for improvement of the existing drainage system has been completed and draft bidding documents have been submitted to ADB on 30 May 2019. The total estimated cost of the improvements including the construction of a WWTP is estimated to be USD 11.4M.

Improved Solid Waste management The bidding documents and invitation for bids for the landfill in Kampong Chhnang and Pursat (\$2.25m) were approved by ADB on 7 September 2018. Bidding process has been completed and winning bid selected, however the contract could not be awarded because of delays in the preparation of the DDR and RP. Bid validity has been extended to 15 August 2019

### **Safeguards**

Environment Updating of the IEE for the project and preparation of the EMPs for the Pursat and Kampong Chhnang landfill construction has been completed, comments have been received from ADB and have been incorporated in the documents.

Resettlement The DDR for the Kampong Chhnang landfill and the RP for the Pursat landfill construction have been completed with the exception of finalizing a livelihood restoration plan for the waste pickers. As instructed by GDR waste pickers are not entitled to compensation if they were working on privately owned and operated dumpsites. Both of the existing dumpsites in Kampong Chhnang and Pursat are privately owned and operated.

Gender Action Plan The GAP as included in the PAM has been revised as per the latest requirements of ADB

### **Institutional Development**

Capacity Development Implementation of the capacity development plan was put on hold and will be continued after the way forward for the project is agreed upon.

Establishment Urban Service Units During the midterm review it was agreed the effective establishment of a USU in both towns is now a priority and that "effective establishment" means, in concrete terms, the opening on a special account dedicated to the USU. However opening of a special bank account for the USUs will require approval of the MEF and this might be more complicated and time consuming as originally envisaged

### **Operational & Financial management**

Tariff Structure Tariff Setting and Subsidy Methodology Detailed proposal including an excel model have been developed for SWM tariff setting. 11. The Government has issued a proposed tariff category structure which includes fifteen categories and over 100 sub-categories, including five categories for residences and fourteen sub-categories Implementation of this tariff structure will require a comprehensive census of the SWM customers. Without a census of the customers it is not possible to finalize the tariff structure for Kampong Chhnang and Pursat.

Private Sector Participation	A detailed analysis was carried out on the participation of private sector operators in waste collection in Kampong Chhnang and Pursat, including detailed discussions with the provincial, municipal authorities and sankat representatives during the last quarter, no further activities have been undertaken during this quarter
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### **Preparation Urban Services Master Plan for the towns of Kampong Chhnang and Pursat**

Completion of base maps, and base maps available in online system	The consultant has set up of the online system, developed a structured data base for the urban services infrastructure, benchmarking of services and the planning of the expansion of the drainage/ sewerage and related water supply system. The consultant has collected the drone imagery for both towns and processed/reformatted the imagery for use in the online system. The consultant has also made all open source maps as well as maps provided by the local authorities available in the online system. This included the geospatial products delivered as part of the European Space Agency (ESA)
Completion of Urban Services Inventory and inventory available in online system Completion of Urban Services Inventory and inventory available in online system	The online system, has been developed with a structured data base for the urban services infrastructure, benchmarking of services and the planning of the expansion of the drainage/ sewerage and related water supply system. Drone imagery for both towns has been collected and processed/reformatted for use in the online system. Open source maps as well as maps provided by the local authorities have been made available in the online system. This included the geospatial products delivered as part of the European Space Agency (ESA)
Completion of draft Masterplan and priority measures and Masterplan available in the online system	Ongoing

### **1.3 Consultant Services**

5. Up to the end of this reporting period, 30 June 2019, the total person months used by the International Specialists is 47.4 person-month out of a total provision of 81 person-month<sup>2</sup> (58.5%), leaving a balance of 33.6 person-month., the total person months used by the National Specialists is 180 person month out of a total provision of 355 person month<sup>3</sup> (48%), leaving a balance of 185 person month.

6. A third contract variation was approved on 31 December 2019 which included (i) formal removal of the procurement and financial management support component of the consultancy (as this function has been covered by contractual staff recruited to the PMU); (ii) the addition of technical expertise; (iii) a provision for home office inputs and (iv) urban services master plans in Kampong Chhnang and Pursat

### **1.4 Targets for the next quarter**

7. The targets for the next quarter can be summarized as follows:

- If the alternative investment options proposed for Kampong Chhnang are confirmed a contract variation will be required for the detailed design of these options under the PMIS, or the DED will have to be procured under a new contract.
- Continue with the preparation of the drainage masterplans for Kampong Chhnang and Pursat, with will focus on the development of tools for drainage and water supply design within the system, and the completion of draft drainage and sewerage master plans for both towns
- Final approval the DDR and DRP for the Kampong Chhnang and Pursat landfills and for the Pursat drainage system
- Activities for establishment of USUs will focus on two options: (i) Option 1: Municipalities establish a USU to carry out solid waste services as per sub-decree No. 113, and; Option 2: PDPWTs establish the Wastewater Treatment System and Solid Waste Units (transfer of the PIUs) being under control of the PDPWT – as per the two Prakas (103 and 104), issued in December 2017 for Kampong Chhnang and Pursat
- A contract variation will be required to increase the input of the social development/resettlement specialists

<sup>2</sup> VO3

<sup>3</sup> VO3

## 2 PROJECT BACKGROUND

### 2.1 Background

8. The project was approved on 10 November 2015 and declared effective on 2 March 2016. The impact of the project will be increased economic activities and environmental protection in the two towns in the Tonle Sap Basin. The outcome will be improved urban services and enhanced climate change resilience in Kampong Chhnang and Pursat municipalities. The project has five outputs:

- (i) Kampong Chhnang Urban Area Environmental Improvements which will now comprise the improvement of flood protection for the low lying sectors in the Kampong Chhnang urban area through; (i) the rehabilitation and realignment of a 9.5 km flood protection embankment, and; (ii) the improvement of solid waste management through the proper closure of existing dumpsite and the construction of a new solid water landfill together with the provision of the required equipment, institutional strengthening and community awareness creation. The MEF has requested the cancellation of this infrastructure component because the resettlement plan of April 2015 cannot be implemented. As alternative investment options the construction of a sewerage system with a WWTP and the improvement/expansion of the existing drainage system are proposed.
- (ii) Pursat Urban Area Environmental Improvements through; (i) the improvement of the combined storm water drainage/sewerage system in the town area on the west bank of the Pursat River; (ii) the construction of a WWTP, and the construction of a new solid waste landfill site.
- (iii) Community Mobilization and Environmental Improvements, to support the Kampong Chhnang, and Pursat urban area developments through community driven environmental improvements
- (iv) Strengthened Sector Coordination and Operations and
- (v) Strengthened Capacity for Project Implementation and operation and maintenance (O&M) of urban infrastructure in general and the created infrastructure in particular.

### 2.2 Project Basic Data

<b>Project Title</b>	<b>Integrated Urban Environmental Management in the Tonle Sap Basin Project</b>		
<b>Project Acronym</b>	<b>IUEMTBP</b>		
<b>Project Financing</b>	<b>Asian Development Bank ADF Loan</b>	<b>SDR 26,4M (USD 37M equivalent)</b>	<b>3311-CAM (SF)</b>
	<b>ADB Strategic Climate Fund loan</b>	<b>USD 5M</b>	<b>8295-CAM (SCF)</b>
	<b>ADB Strategic Climate Fund grant</b>	<b>USD 5M</b>	<b>0454-CAM (SCF)</b>
<b>Borrower</b>	<b>Kingdom of Cambodia</b>		
<b>Project Approval</b>	<b>10 November 2015</b>	<b>Signing of Loan</b>	<b>22 December 2015</b>
<b>Date of Effectiveness</b>	<b>02 March 2016</b>	<b>Closing Date</b>	<b>30 April 2023</b>
<b>Project Completion Date</b>	<b>October 2022</b>	<b>Overall project implementation progress</b>	<b>22.20%</b>
<b>Elapsed Period</b>	<b>46.5%</b>	<b>Revised Loan Closing Date</b>	<b>N/A</b>
<b>Progress on Contract Award and Disbursement</b>	<b>Contract Award</b>	<b>13.5%</b>	<b>Disbursement 6.6%</b>
<b>Project Executive Agency</b>	<b>Ministry of Public Works and Transport (MPWT)</b>		
<b>Project Director</b>	<b>H.E. Vong Pisith, Deputy Director General MPWT</b>		
<b>Consultant ISPMC</b>	<b>KECC in JV with NIRAS and associated with KCC</b>		
<b>Team Leader</b>	<b>Mr. Louis Rijk,</b>		
<b>Dep .Team Leader</b>	<b>Mr. Srey Socheat</b>		
<b>ADB Task Manager</b>	<b>Mr. Alexander Nash</b>		

### 2.3 Document

<b>Document Title</b>	<b>Quarterly Progress Report No. 10</b>
<b>Reporting Period</b>	<b>01 April to 30 June 2019</b>
<b>Author(s) &amp; project role</b>	<b>Louis Rijk Team Leader/Municipal Engineer PIMS,</b>

## 2.4 ADB Review Missions

9. Altogether ADB has fielded 7 Missions; Loan Inception Mission, Review Mission, Follow up Meeting, 3 Implementation Review Missions and a Midterm Riew Mission. During this reporting an implementation review mission took place from 26 February to 4 March 2019 (the mission also covered TS2 GMS2 and GMS4) No Aide Memoire of this mission was received. Details of the ADB Missions are given in the following table. 2-1

**Table 2-1 : Details of ADB Missions**

S. No.	Nature of Mission	Duration	Name and Designation of Participants from ADB	Total Nos. of Participants from ADB
<b>2016</b>				
1	Loan Inception Mission	7 to 14 December 2017	Sameer A. Kamal, Urban Development Specialist, SEUW/SERD (Mission Leader); Januar Hakim, Senior Portfolio Management Specialist, CARM; Genevieve O'Farrell, Environment Specialist, CARM; Melody F. Ovenden, Social Development (Resettlement) Specialist, SEUW/SERD; Tadeo R. Culla, Associate Social Development Officer, SEUW; Ludovina R. Balicanot, Associate Project Officer, SEUW and Sophy Ea, National Social Safeguards Specialist, Consultant.	7
<b>2017</b>				
1	Review Mission	15 to 27 March 2017	Sameer A. Kamal, Urban Development Specialist, SEUW/SERD (Mission Leader). Jan Hansen, Senior Country Economist, CARM (wrap-up meeting)	2
2	Follow up meeting	15 June 2017	Sameer A. Kamal, Urban Development Specialist, SEUW/SERD (Mission Leader).	1
3	Implementation Review Mission	August 25-29, 2017	Sameer A. Kamal, Urban Development Specialist / Mission Leader, Urban Development and Water Division (SEUW); Melody Ovenden, Social Development Specialist (Resettlement), Lao PDR Resident Mission (LRM); Genevieve O'Farrell, Environment Specialist (Safeguards), Cambodia Resident Mission (CARM); Chansouk Insouvanh, Social Safeguards Consultant, Lao PDR Resident Mission (LRM); and Sophy Ea, Social Safeguards Consultant, Urban Development and Water Division (SEUW). Januar Hakim, Senior Portfolio Management Specialist, CARM joined selected discussions. Linda Adams, Senior Social Development Specialist, SEUW and Ludovina Balicanot, Associate Project Officer, SEUW provided remote support	8
<b>2018</b>				
1	Portfolio Review Mission	4 April 2018	Vijay Padmanabhan Director Urban Development and Water Southeast Asia Department. Sameer A. Kamal, Urban Development Specialist.	2

S. No.	Nature of Mission	Duration	Name and Designation of Participants from ADB	Total Nos. of Participants from ADB
2	Implementation Review Mission	September 10-13 2018	Sameer A. Kamal, Urban Development Specialist / Mission Leader, Urban Development Urban Development Specialist, SEUW; Biswanath Debnath, Safeguards Consultant (Resettlement), SEUW; Ea Sophy, Safeguards Consultant (Resettlement), CARM; and Sethy Sour, Safeguards Consultant (Environment), CAR	4

### 2019

1	Implementation Review Mission (the mission also covered TS2 GMS2 and GMS4)	26 February to 4 March 2019	Vijay Padmanabhan Director Urban Development and Water Southeast Asia Department. Alexander Nash, Urban Development Specialist. Ms. Kim Swain, Urban Development Specialist, Javier Coloma Brotons, Rangina Nazrieva, Virginia E. Villanueva
2	Mid-Term Review Mission	23 May to 28 May 2019	Alexander Nash, Urban Development Specialist, SEUW; Javier Coloma Brotons, Urban Development Specialist (Water Supply and Sanitation), SEUW; Virginia E. Villanueva, Project Analyst, SEUW; Rangina Nazrieva, Social Development Specialist (Resettlement), CARM; Sethy Sour, Environmental Specialist (Safeguards), CARM; and Chandy Chea, Gender Officer, CARM

## 2.4 Compliance with actions agreed during the Special Project Administration Mission

10. In Mid-term Review Mission of ADB (23 May to 28 May 2019) the MEF, EA and ADB have agreed to comply with the following key follow-up actions. The current status of the follow-up actions as agreed and included in the Draft Missions' Aide-Memoire is given in the table below.

**Table 2-2 : Follow-up Actions and the Status of their Compliance**

#	Actions	Lead	Due Date	Present Status
<b>1</b>	<b>CW 05: Pursat Wastewater network, Stormwater drainage and Wastewater treatment</b>			
1.1	Submit bidding documents for ABD review	MPWT	31 May 2019 (completed)	
1.2	Comments on bidding documents	ADB	14 June 2019	Comments have been received from the ADB and bid documents, TS, BOQ and drawings have been revised accordingly
1.3	Minor adjustments to bidding documents to include connections to ID Poor village from package CW09 (along canal).	PMIS	14 June 2019	Would trigger additional resettlement issues. It is recommended to include ID poor connection under CW09
1.4	Interministerial Meeting on EIA submission	MoE	14 June 2019	Final report submitted to MoE on 25 June 2019 and the inter ministry meeting may be in the first week of August issue of license 2 month after the inter ministry meeting (October 2019)
1.5	Bidding process initiated with publication	MPWT	30 June 2019	August 2019
<b>2</b>	<b>CW-06 &amp; CW-08: Kampong Chhnang and Pursat Landfill sites</b>			

#	Actions	Lead	Due Date	Present Status
2.1	Obtain lease contract for existing dumpsites and confirm with legal advice the scope of what rehabilitation government <u>is required to do</u> , if any, under the terms of its lease.	PMIS	14 June 2019	Contracts do not specify any obligations of the contractor for closure of the dumpsite
2.2	Seek legal advice on scope of rehabilitation investment government <u>is able to do</u> on private land	PMIS	14 June 2019	Rates under the unallocated persons-month are too low for a legal expert. The position with new rates will have to be included in VO4
2.3	Estimate cost of concentration of existing waste to one location on the existing dumpsites	PMIS	30 June 2019	Would require new drone imagery and ground survey for quantifying accumulated waste. The cost would have to be included in VO4. Only useful if it is confirmed that remediation of the present dumpsites is legally viable
2.4	Estimate cost of transportation of concentrated waste to new dumpsite	PMIS	30 June 2019	See above
2.5	NOL granted for BER	ADB	30 June 2019	Time required between No Objection to bid documents and no objection to BER is 186 days
2.6	Contract award	MPWT	15 July 2019	Time required for notification of contract award and contract signature is 21 days
<b>3</b>	<b>CW-09 &amp; CS04 Kampong Chhnang and Pursat Community Driven Improvements &amp; NGO support</b>			
3.1	Budget line change required for CS04	ADB	30 June 2019	Approved
3.2	Prepare VO for Padek (CS04) to reflect changed in CW09 scope	ADB / PADEK	30 June 2019	Preparation of a variation order requires confirmed agreements on the variation order in the ADB mission AM, to facilitate approval by MEF
3.3	Summary of infrastructure solutions to be developed in DED: <ul style="list-style-type: none"> <li>• Pursat <ul style="list-style-type: none"> <li>○ Low density villages 1&amp;2 on riverbank: Onsite solutions (low average cost)</li> <li>○ High density village 3 on canal in town centre: shared public connections to newly constructed combined sewer</li> </ul> </li> <li>• Kampong Chhnang <ul style="list-style-type: none"> <li>○ High density villages 1&amp;2 in town centre (near old port): shared public connections to newly constructed separate sewer system</li> <li>○ High density village 3 (north of new port): non-infrastructure household interventions plus on-site sanitation where land tenure / maintenance can be assured by facility owner.</li> </ul> </li> </ul>	PADEK / PMIS	Concepts submitted: 30 June 2019  DED completed 30 November 2019	Pending final decision on the change of the scope of the project
<b>4</b>	<b>CW-10: New package: Kampong Chhnang wastewater and drainage Master Plan Priority Works</b>			
4.1	Create new package of works in procurement plan and update (CW10 - Kampong Chhnang Sanitation Stormwater Drainage & Flood Protection, \$19m)	MPWT	14 June 2019	Procurement Plan has been updated
4.2	Confirm scope of new package with Kampong Chhnang provincial government. Scope should include two out of the three villages identified in CW09 which are close to the network.	MPWT	5 June 2019 (completed)	The alternative investment option; new sewerage system with WWTP and drainage improvement were presented to the Provincial Government of 4 June 2019. HE Provincial Governor accepted and supported the proposals

4.3	Complete feasibility study for CW-10 (include Cost-benefit analysis)	PMIS	7 July 2019	The PMIS has no specialists for the preparation of a cost benefit analysis. The proposed sewerage and drainage works will be identified under the masterplan preparation as priority works. This will be up to pre-feasibility level, not a full feasibility study.
4.4	Detailed design for CW-10 to be commenced	PMIS	30 June 2019	For the preparation of the DED a contract variation is required or the DED has to be procured under a new contract. (to be decided)
4.5	DED for CW-10 to be completed	PMIS	30 January 2020	It will take 4 months to prepare the DED, BOQ, cost estimate and bid documents. It is expected that the preparation of DRP and the domestic IEIA will take more time based on previous experiences
4.5	ADB to prepare scope change memo following MTR, based on priority packages of Kampong Chhnang Master Plan included in CW-10	ADB	15 July 2019	Scope change memo not yet received. Masterplan preparation was suspended since the end of May because of payment issues to the subcontractors. This issue has been resolved and the masterplan preparation has been re-started
<b>5</b>	<b>Contract Variations</b>			
5.1	VO04 to be prepared for PMIS. Scope changes include: <ul style="list-style-type: none"> <li>• DED for Package CW10</li> <li>• Inclusion of CW09 works into CW05 and CW10 packages, where network infrastructure is proposed</li> </ul>	PMIS	30 June 2019	Inclusion of CW09 works in CW05 could involve additional resettlement issues which would further delay start of the bidding process. CW09 works should be included in the DED for CW10
<b>6</b>	<b>Loan Covenants</b>			
6.1	The ToRs for the USU special account will be developed and submitted to MEF for permission to open the account	PMIS (C. Clifford)	30 June 2019	Two options are under review: (i) Option 1: Municipalities establish a USU to carry out solid waste services as per sub-decree No. 113, and; Option 2: PDPWTs establish the Wastewater Treatment System and Solid Waste Units (transfer of the PIUs) being under control of the PDPWT – as per the two Prakas (103 and 104), issued in December 2017 for Kampong Chhnang and Pursat
6.2	MPWT will apply for the creation of a special account to be operated by the semi-autonomous USUs created under the project.	PMIS / MPWT	7 July 2019	
6.3	Scope for additional support for USUs creation to be elaborated, initially using PMIS workshop budget	PMIS (C. Clifford)	30 June 2019	
6.4	Project Administration Manual (PAM) and Gender Action Plan (GAP) to be updated	ADB	15 July 2019	GAP has been updated and included in previous quarterly reports but no comments have been received. Updating of the PAM is only possible after a final decision on the change of scope in the project.

## FINANCING AND FUND UTILIZATION

### 2.5 Financing

The project was approved on 10 November 2015 and declared effective on 2 March 2016. Financing for the \$52.6 million project includes a SDR 26,4M (USD 37M equivalent) loan from ADB (Asian Development Fund) and \$10 million (\$5 million loan and \$5 million grant) from the Strategic Climate Fund

The following table 2-1 summarizes project financing by financier

**Table 2-3: Financing by financier**

<b>Financing</b>	
<b>Modality and Sources</b>	<b>Amount (\$ million)</b>
<b>ADB</b>	37
Sovereign Project loan: Asian Development Fund	37
<b>Cofinancing</b>	10
Strategic Climate Fund - PPCR	5
Strategic Climate Fund	5
<b>Counterpart</b>	5.6
Government	5.4
Others	0.2
<b>Total</b>	<b>52.6</b>

Table 2-2 presents the project investment plan for the 4 components of the project as agreed in the PAM. Changes will be required as the cost of the Pursat drainage system and WWTP is expected to amount to USD 14M, and the cost for the Kampong Chhnang embankment will depend on the agreement between the Government and ADB on the way forward for the implementation of the embankment

**Table 2-4 : Project Investment Plan (\$ million)**

<b>Item</b>	<b>Amount</b>
<b>A. Base Cost a</b>	
1.Output 1: Kampong Chhnang Urban Area Improvements	22.9
2.Output 2: Pursat Urban Area Improvements	11.2
3.Output 3: Community Mobilization and Environmental Improvements	4.3
4.Output 4: Strengthened Sector Coordination and Operations	0.4
5.Output 5: Strengthened Capacity for Project Implementation, O&M	5.5
<b>Subtotal (A)</b>	<b>44.3</b>
<b>B. Contingencies</b>	<b>6.9</b>
<b>C. Financing Charges During Implementation</b>	<b>1.4</b>
<b>Total (A+B+C)</b>	<b>52.6</b>

ADB = Asian Development Bank, SCF = Strategic Climate Fund

Includes taxes and duties of \$4.55 million to be financed by the government through exemptions, ADB and ADB SCF grant.

In September 2015 prices.

Physical contingencies computed at 10% for civil works, equipment and consulting services. Price contingencies computed at 1.8% to 2.2% on foreign exchange costs and 3.5% on local currency costs; includes provision for potential exchange rate fluctuations under the assumption of a purchasing power parity exchange rate.

Includes interest estimated at \$1.40 million during implementation for the ADB loan and \$0.02 million in service charge for the ADB Strategic Climate Fund loan, which will both be capitalized as part of the loans.

Source: Asian Development Bank estimates

## 2.6 Fund utilization

11. The following table 2.5 presents the consolidated status of loan and grant proceeds. The details of the fund utilization are presented in annex 2. The total amount of contracts awarded as a percentage of the total loan amount is 2.7%. The total disbursement as percentage of the total amount of contracts awarded is 26.5%.

**Table 2-5 : Consolidated Status of Loan and Grant Proceeds**

As of 30 June 2019						
Loan/Grant No.	US Dollars					
	Allocation	Contracts Awarded	Uncontracted Loan Balance	Contracts Disbursed	Undisbursed Loan Balance	Undisbursed Contract Balance
	A	B	C = A - B	D	E = A - D	F = B - D
Loan 3311	36,629,923	4,593,235	32,036,687	2,293,400	34,336,522	2,299,835
Loan 8295	5,000,000	-	5,000,000	-	5,000,000	-
Grant 0454	5,000,000	1,205,674	3,794,326	846,364	4,153,636	359,310
<b>Total</b>	<b>46,629,923</b>	<b>5,798,909</b>	<b>40,831,014</b>	<b>3,139,764</b>	<b>43,490,159</b>	<b>2,659,145</b>

The overall status of physical and financial progress of the project can be summarized as follows

Elapsed Time	46.46%
Physical Progress	22.20%
Contract Award Lag	32.97%
Disbursement Lag	39.16%
Project - Lag	24.26%

Details of fund utilization and the Contract Award and Disbursement Projections are presented in Annex 3 and 4.

Table 2-6: Consolidated Loan Utilization

As of 30 June 2019

Cat. Ref.	Category Name	US Dollars					
		Allocation	Contracts Awarded	Uncontracted Loan Balance	Contracts Disbursed	Undisbursed Loan Balance	Undisbursed Contract Balance
		A	B	C = A - B	D	E = A - D	F = B - D
01A	CW - KC Flood Protection	18,999,198	-	18,999,198	-	18,999,198	-
01B	CW - KC Solid Waste Mgt.	428,006	-	428,006	-	428,006	-
01C	CW - PS Drainage	596,151	-	596,151	-	596,151	-
01D	CW - PS Flood Protection	4,828,964	-	4,828,964	-	4,828,964	-
01E	CW - PS Solid Waste Mgt.	1,014,430	-	1,014,430	-	1,014,430	-
01F	CW - KC Small-scale Inf. Dev.	729,556	-	729,556	-	729,556	-
01G	CW - PS Small-scale Inf. Dev.	729,556	-	729,556	-	729,556	-
01A	CW - PS Drainage	2,460,000	-	2,460,000	-	2,460,000	-
01B	CW - KC Sanitation Improvement	510,000	-	510,000	-	510,000	-
01C	CW - PS Sanitation Improvement	510,000	-	510,000	-	510,000	-
02A	GD - KC Solid Waste Mgt.	726,776	-	726,776	-	726,776	-
02B	GD - PS Solid Waste Mgt	810,154	-	810,154	-	810,154	-
02C	GD - KC Embank. Manual Equipment	36,130	-	36,130	-	36,130	-
02D	GD - PS Flood Manual Equipment	36,130	-	36,130	-	36,130	-
02E	GD - PS Drainage Manual Equipment	36,130	-	36,130	-	36,130	-
03A	WS - Project Mgt & Implement Supp.	573,685	534,000	39,685	82,035	491,650	451,965
03B	WS - SSCD	9,727	-	9,727	-	9,727	-
02A	WS - NGO SCEI	200,000	-	200,000	-	200,000	-
02B	WS - CCAUD	10,000	10,000	-	-	10,000	10,000
04A	CS - PMIS	3,369,991	3,597,913	(227,922)	1,396,874	1,973,117	2,201,039
04B	CS - SSCD	95,884	-	95,884	-	95,884	-
04C	Survey and Investigation	62,467	135,000	(72,533)	115,350	(52,882)	19,650
03A	CS - CCAUD	200,000	200,000	-	290,496	(90,496)	(90,496)
03B	CS - NGO SCEI	810,000	829,878	(19,878)	361,868	448,132	468,010
03C	CS - Survey and Investigation	100,000	165,796	(65,796)	-	100,000	165,796
05A	IA - Office and Travel Expense	393,997	140,369	253,627	55,780	338,217	84,590
05B	IA - Vehicles	145,142	134,500	10,642	134,500	10,642	-
05C	IA - Equipment	13,780	51,453	(37,673)	41,018	(27,238)	10,435
	Interest During Implementation	1,383,075	-	1,383,075	31,845	1,351,231	(31,845)
	Service During Implementation	18,000	-	18,000	-	18,000	-
	Unallocatd	6,792,405	-	6,792,405	-	6,792,405	-
99	Imprest Account	586	-	586	630,000	(629,414)	(630,000)
				-		-	-
	<b>Total</b>	<b>46,629,923</b>	<b>5,798,909</b>	<b>40,831,014</b>	<b>3,139,764</b>	<b>43,490,159</b>	<b>2,659,145</b>
		<b>36,629,923</b>	<b>4,593,235</b>	<b>32,036,687</b>	<b>2,293,400</b>	<b>34,336,522</b>	<b>2,299,835</b>

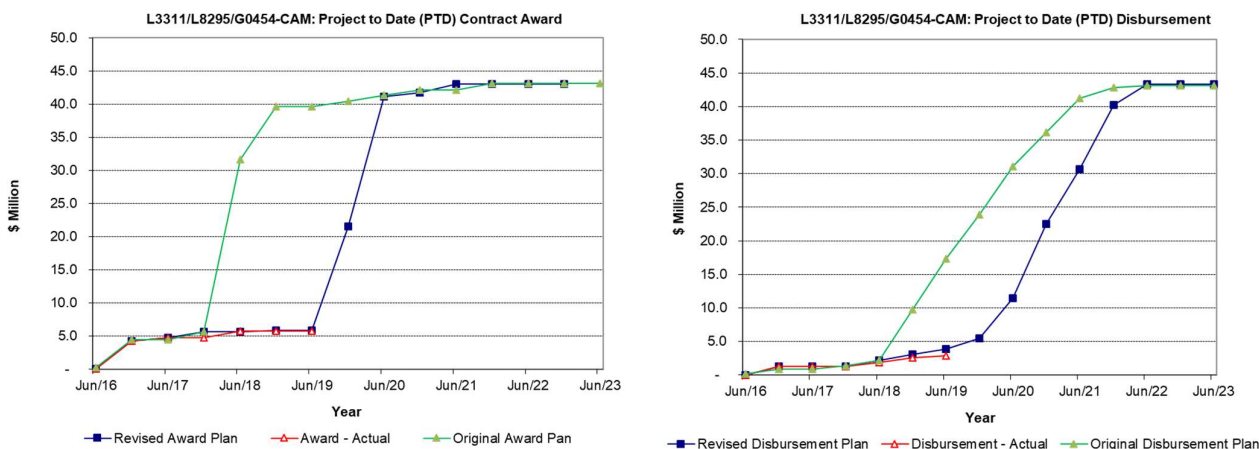
Table 2-7: Grant Utilization

As of 30 June 2019							
Cat. Ref.	Category Name	US Dollars					
		Allocation	Contracts Awarded	Uncontracted Loan Balance	Contracts Disbursed	Undisbursed Loan Balance	Undisbursed Contract Balance
		A	B	C = A - B	D	E = A - D	F = B - D
01A	CW - PS Drainage	2,460,000	-	2,460,000	-	2,460,000	-
01B	CW - KC Sanitation Improvement	510,000	-	510,000	-	510,000	-
01C	CW - PS Sanitation Improvement	510,000	-	510,000	-	510,000	-
02A	WS - NGO SCEI	200,000	-	200,000	-	200,000	-
02B	WS - CCAUD	10,000	10,000	-	-	10,000	10,000
03A	CS - CCAUD	200,000	200,000	-	290,496	(90,496)	(90,496)
03B	CS - NGO SCEI	810,000	829,878	(19,878)	361,868	448,132	468,010
03C	CS - Survey and Investigation	100,000	165,796	(65,796)	-	100,000	165,796
04	Unallocated	200,000	-	200,000	-	200,000	-
	Advance Account	-	-	-	194,000	(194,000)	(194,000)
	<b>Total</b>	<b>5,000,000</b>	<b>1,205,674</b>	<b>3,794,326</b>	<b>846,364</b>	<b>4,153,636</b>	<b>359,310</b>

**2.7 S curves for contract awards and disbursements**

Based on the revised contract awards and disbursement schedule based on the updated work plan, the resulting s curves are presented in the following figures

**Figure 2-1: L3311/L8295/G0454-CAM: Project to Date (PTD) Contract Award and (PTD) Disbursement based on revised contract award and disbursement plans**



**2.8 Procurement Plan**

12. The following table presents the procurement plan as updated 30 September 2018. The table reflects the planning as presented in the revised implementation schedule presented in chapter 4 and Annex 1. The figures in red colour represent historic data of completed procurement

Table 2-8: Procurement Plan

#	Contract Packages	Proc. Method	Advert. Date	Award Date*
<b>Civil Works</b>				
G07	Supply of KC and Pursat Solid Waste Management Equipment batch 1	NCB	Q3 2019	Q4 2020
G08	Supply of Pursat Solid Waste Management Equipment Batch 2	NCB	Q1 2021	Q2 2021
CW04	Construction of KC Embankment	Cancelled		
CW05	Construction of Pursat Drainage and WWTP <sup>4</sup>	ICB	Q3 2019	Q4 2019
CW06	Construction of Kampong Chhnang and Pursat Landfills	NCB	Q2 2018	Q3 2019
CW07	Construction of Pursat River Embankment Protection	Cancelled		
CW08	Construction of KC Landfill Site	Merged with CW06		
CW09	KC and Pursat Community-driven Env. Improvements	NCB	No Data	No Data
CW10	Construction KC Sewerage, WWTP and Drainage	ICB	Q2-2020	Q3-2020
<b>Consulting Services</b>				
CS01	Project Management and Implementation Support	QCBS	Q4 2015	Q4 2016
CS02	Climate Change Adaptation in Urban Development	CQS		Q3 2017
CS03	Strengthening Sector Development	Will be merged with PMIS under VO3		
CS04	NGO Support for Output 3 (CMEI)	QBS	Q3 2017	Q1 2018
<b>Goods and Works Under \$100K</b>				
G01	Supply of 5 units 4WD double cabin pick-up trucks	NCB	Q1 2017	Q2 2017
G02	Supply of 8 motorcycles	Shopping		Q2 2017
G03	Office furniture for PMU and PIUs (KC and Pursat)	Shopping		Q3 2017
G04	Office equipment for PMU and PIUs (KC and Pursat)	Shopping		Q3 2017
G05	Equipment for Pursat Drainage and Flood Protection	Shopping		Q1 2019
G06	Manual Equipment for KC Embankment	Will depend on the agreed way forward for the embankment		
CW01	Office Repairs (PMU)	Shopping		Q2 2017
CW02	Office Repairs (PIU KC)	Shopping		Q2 2017
CW03	Office Repairs (PIU Pursat)	Shopping		Q2 2017

<sup>4</sup> Based on present design, not assuming design changes

### 3 IMPLEMENTATION PROGRESS

#### 3.1 Status of Project Implementation and Revised Project Implementation Schedule

13. The overall progress of project implementation is estimated to be 22.2 % against and elapsed time from the date of project effectiveness of 46.5 %. As per the revised implementation schedule (see annex 1) the actual progress is now about 12 weeks behind the planned progress at the end of this reporting period (30-06-2019). This is an increase of 1 weeks over the reported delay at the end of the previous quarter (30-03- 2019). The delay is mainly due to the suspension of all activities for the implementation of the Kampong Chhnang embankment and delays in the preparation of DDR and DRPs for the landfill construction and the improvement of the Pursat Combined Drainage and sewerage system. The implementation schedule does also reflect the change of scope of the project as result of the cancellation of the Kampong Chhnang embankment, The effect of this cancellation on the overall progress of the project is very limited as most of the delays have already been attributed to the suspension of all works on the embankment

The summary of the revised implementation schedule is given in figure 4.1 and the detailed implementation schedule is presented in Annex 1.

Figure 3-1: Revised Implementation Schedule

PROJECT IMPLEMENTATION PROGRESS -- Loan and/or Grant Number(s): L3311 / L8295 / G0454 - CAM as of 30 June 2019																																	
No.	Activities	2017				2018				2019				2020				2021				2022				Prog (%)	Wt	Total					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
1	<b>Project Readiness/Preparation</b>																								2.5	2.5							
	- Loan Effectiveness																									100	1.0	1.0					
	- Recruitment of PMIS Consultants																									100	0.5	0.5					
	- Recruitment of PMU Staff																									100	0.5	0.5					
	- Recruitment of PIU Staff																									100	0.5	0.5					
2	<b>Output 1: Kampong Chhnang Urban Environmental Improvements</b>																									26.7	0.4						
	<b>a. Flood Protection Embankment</b>																										20.0	-					
	<b>a. Sewerage System, WWTP, Drainage Improvement</b>																																
	- Preparation/Approval Design, EMP, IEIA, RP																											1.5	-				
	- Bidding Process/Contract Award																											1.0	-				
	- Construction of the sewerage system, WWTP and Drainage																											16.5	-				
	- Liability Period																											0.5	-				
	- O&M support																											0.5	-				
	<b>b. Improved Solid Waste Management</b>																											6.7	0.4				
	<b>b1. Construction Sanitary Landfill</b>																											3.2	0.4				
	- Preparation/Approval Design, EMP, IEIA, RP																											98	0.1	0.1			
	- Bidding Process/Contract Award																											98	0.3	0.3			
	- Construction Landfill & Ancillary Works																												2.6	-			
	- Liability period																												0.1	-			
	- O&M support for SWM																											0.1	-				
	<b>b2. Remediation/Closure existing dump sites</b>																												0.2	-			
	<b>b3. SWM Equipment Procurement</b>																												3.3	-			
	- Procurement 1st Batch Equipment																												1.7	-			
	- Procurement 2nd Batch Equipment																												1.6	-			
3	<b>Output 2: Pursat Urban Environmental Improvements</b>																											35.1	4.1				
	<b>a. Improvement Solid Waste Management</b>																												9.1	0.8			
	<b>a1. Construction Sanitary Landfill facility</b>																												5.4	0.8			
	- Preparation/Approval Design, EMP, IEIA, RP																												98	0.5	0.5		
	- Bidding Process/Contract Award																												98	0.3	0.3		
	- Construction Landfill/Ancillary Works																													3.6	-		
	- Liability Period																													0.5	-		
	<b>a2. Remediation/Closure existing dump sites (Cancelled)</b>																													-	-		
	- O&M support for SWM																													0.5	-		
	<b>a3. SWM Equipment Procurement</b>																													3.7	-		
	- Procurement 1st Batch Equipment																													2.0	-		
	- Procurement 2nd Batch Equipment																													1.7	-		
	<b>b. Improvement Drainage in Pursat Town and Waste Water Treatment</b>																													26.0	3.3		
	- Preparation/Approval Design, EMP, IEIA, RP																													98	2.0	2.0	
	- Bidding Process/Contract Award																													90	1.5	1.4	
	- Construction Drainage & Ancillary Works																													21.5	-		
	- Liability Period																													0.5	-		
	- O&M Support																													0.5	-		
4	<b>Output 3: Community Mobilization and Environmental Improvements (CMEI)</b>																													11.2	4.2		
	- Recruit International NGO																													100	0.4	0.4	
	- Train village development committee units for project briefing and output training																													80	0.4	0.3	
	- Community awareness programs																													80	0.4	0.3	
	- Needs assessments for small-scale infrastructure works on CCA, sanitation																													90	0.4	0.4	
	- Planning, implementing, and supervising community improvements																													30	9.4	2.8	
	- Prepare report on community environmental improvements and lessons																														0.1	-	
	- Internal and external monitoring of safeguard documents																														0.1	-	
5	<b>Output 4: Strengthened sector coordination and operations</b>																														5.0	2.4	
	- Recruit and mobilize climate change resilience consultants																														100	0.5	0.5
	- Prepare, approve, establish, and strengthen USU institutions																														10	1.5	0.2
	- Review climate change and urban development documents, and sanitation standards in building codes																														100	0.8	0.8
	- Implement TSUADF, revising building codes, developing the plan for CCA																														100	0.5	0.5
	- Plan for climate change adaptation in urban areas is endorsed																														0.1	-	
	- Preparation of Drainage and Sewerage Masterplans																														30	1.6	0.5
6	<b>Output 5: Strengthened Capacity for Project Implementation, and Operations and Maintenance</b>																														19.5	8.6	
	- Overall project management and implementation support																														42	14.4	6.0
	- NGO Support																														35	2.9	1.0
	- Procurement transportation, equipment, Office Repairs PMU & PIUs																														100	1.4	1.4
	- Recruit external resettlement monitor																														0.3	-	
	- Develop PPMS and capacity development plan																														20	0.5	0.1
	<b>Total</b>																														100.0	22.2	

■ Part of the activity completed  
 ■ Remaining time for completion of activity as planned  
 ■ Slippage

## 3.2 Kampong Chhnang Urban Environmental Improvements

### 3.2.1 Flood Protection Embankment

Preparation of Detailed Design, BOQ and Cost Estimate (DED)	In a letter dated 6 February the MEF has formally requested the ADB for the cancellation of the embankment, giving as reason that the resettlement report of April 2015 cannot be implemented. This request was confirmed during the mid-term review
Preparation of IEE & EMP	Updating of IEE and EMP has been suspended based on the decision outlined above.
Preparation of Domestic IEIA by a local consulting firm accredited with the MoE	The preparation of the domestic IEIA will for the time being not be included in the scope of services of the local consulting firm
Preparation and Implementation of a Resettlement Plan	Has been suspended since April 2018
Bidding Process and Contract Award	Was started with the submission of the draft bidding documents to ADB in August 2018, but was put on hold.
Construction Embankment & Ancillary Works	
Liability Period	
O&M support	

### 3.2.2 Alternative Investment Options

During the midterm review it was agreed that the following alternative investment option to replace the embankment if the cancelation is confirmed could be further developed. The map of the proposed improvements it shown in annex.....

Construction of a new sewerage system in the most densely build-up town area together with the construction of a WWTP	The proposed sewerage system would comprise 45 km collector lines, 3 km trunk lines and would provide for connections of about 3.400 houses or commercial establishments benefiting approximately 16.000 persons. Land filling would be constructed adjacent to the deteriorated section of the old flood protection embankment for the construction of a WWTP together with the reconstruction of this section of the existing embankment. The reconstruction of this section of the embankment would protect an estimated 330 houses from occasional flooding and 270 houses from regular flooding. The estimated total cost of the sewerage system and WWTP is USD 13.4 M
Improving the discharge of drainage water in the norther town area	The discharge of overland runoff would be improved though the construction of and open drainage canal 3 km followed by a covered canal 0.9 km, with a gated outlet at the Tonle Sap river with pumping system and balancing reservoir, together with cleaning/reshaping of 1.5 km of the drainage stream, upstream of the proposed drainage canal. The improvement of drainage water discharge will protect approximately 330 houses from flooding by overland storm water runoff In addition the drainage improvement will comprise selective extension and capacity improvement of the existing pipe drainage network Total cost is estimated at USD 4.7M

### 3.2.3 Improved Solid Waste management

#### Construction Sanitary Landfill

Preparation/Approval Design, EMP, IEIA, RP	Detailed designs, BOQ, cost estimate and technical specifications and EMP have been completed. DDR for the landfill has been updated including the comments received from ADB and to reflect that, based on instructions from GDR, no compensation for waste pickers due to them operating on privately owned land. Soft title landownership documents for existing dumpsites have been received from the Municipality
--	--

Bidding Process/Contract Award	The bidding documents and invitation for bids for the landfill were approved by ADB on 7 September 2018. The bidding process has been completed. However, the contract could not be awarded as the preparation of the DDR has not yet been completed. The bid validity was extended till 15 September 2019
Construction Landfill & Ancillary Works	To be started
Liability period	Not yet due
O&M support for SWM	
Remediation and Closure of existing dump sites	Existing dumpsites are located on private land and are the responsibility of the SWM contractors. There are legal obstacles to use public funds for improvements on private properties. Suitable closure of private dumpsites should have been a contractual responsibility of the SWM contractors.

*Procurement of Equipment for SWM (collection and operation of the landfill)*

Procurement 1st Batch Equipment	Delivery of the 1 <sup>st</sup> batch of SWM equipment is scheduled to coincide with the completion of construction of the controlled landfill. Discussions are ongoing with the local authorities on type and number of equipment
Procurement 2nd Batch Equipment	Procurement of the 2 <sup>nd</sup> batch of equipment is scheduled 1 year after commissioning of the landfill facility and composition of the 2 <sup>nd</sup> batch of equipment will depend on experiences obtained from the use of the 1 <sup>st</sup> batch

### 3.3 Pursat Urban Environmental Improvements

#### 3.3.1 Improvement Drainage in Pursat Town and Waste Water Treatment

Preparation of Detailed Design, BOQ and Cost Estimate (DED) for improvement of the combined storm water drainage and sewerage system	The detailed design for improvement of the existing drainage system has been completed and draft bidding documents have been submitted to ADB. The total estimated cost of the improvements including the construction of a WWTP is estimated to be USD 11.4M. During the last ADB implementation review meeting in February 2019 the possibility was discussed to apply the funds earmarked for the construction of the Kampong Chhnang embankment to the further upgrading and expansion of the Pursat Drainage and sewerage system by separating the sewerage collection from the storm water drainage system and expanding drainage and sewerage infrastructure to the urban areas on the east bank of the Pursat river and urban areas north and south of the core town area along the west bank of the river. A concept proposal for a separate sewerage and drainage system prepared by the PIMS was reviewed in detail by the midterm review mission.
Preparation of Detailed Design, BOQ and Cost Estimate (DED) for the Waste Water Treatment Plant	The detailed design for the WWTP has been completed. Under the proposal to separate and further expand the sewerage and drainage systems the WWTP could be shifted to a new location 4 km west of the town area
Preparation of IEE & EMP	Preparation of the IEE and EMP for the original combined sewerage and drainage design have been completed and comments from ADB have been incorporated in the documents.
Preparation of Domestic IEIA by a local consulting firm accredited with the MoE	The draft final IEIA has been submitted to the MOE EIA department, draft comments from MoE have been received. If the official comment will be received soon, the final IEIA can be submitted in July and the inter-ministerial meeting can be held in August with the license issued in October
Preparation and Implementation of a Resettlement Plan	DRP for the Pursat combined drainage/sewerage system is being finalized based on the original design and system layout for a combined

	sewerage/drainage system, with the WWTP on the original site at the north western edge of the town area adjacent the defunct irrigation canal.
Bidding Process and Contract Award	The draft bid documents were submitted to the ADB on 31 may 2019, comment from the ADB have been received and incorporated into the document. It was not possible to comply with an instruction from the ADB to include all the technical details of the WWTP pumping equipment including the details of panel board and connections, as the PMIS team does not include an electro-mechanical specialist. In the bid document it is proposed that the bidder will make a detailed proposal for the type of equipment and installation for approval by the owner, before procuring this equipment.
Liability Period	Not yet due
O&M support	It is proposed to procure jetvac equipment for the future maintenance of the drainage network. It is proposed to include this equipment could be included in the contract package for the procurement of the 1 <sup>st</sup> batch of SWM equipment

### 3.3.2 Improved Solid Waste management

#### Construction Sanitary Landfill

Preparation/Approval Design, EMP, IEIA, RP	Detailed designs, BOQ, cost estimate and technical specifications and EMP have been completed. DDR for the landfill has been updated to reflect that, based on instructions from GDR, no compensation for waste pickers due to them operating on privately owned land. Soft title landownership documents for existing dumpsites have been received from the Municipality
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Bidding Process/Contract Award	The bidding documents and invitation for bids for the landfill were approved by ADB on 7 September 2018. The bidding process has been completed. However, the contract could not be awarded as the preparation of the DDR has not yet been completed. The bid validity was extended till 15 September 2019
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Construction Landfill & Ancillary Works	To be started
Liability period	Not yet due

O&M support for SWM	
Remediation and Closure of existing dump sites	Existing dumpsites are located on private land and are the responsibility of the SWM contractors. There are legal obstacles to use public funds for improvements on private properties. Suitable closure of private dumpsites should have been a contractual responsibility of the SWM contractors.

#### Procurement of Equipment for SWM (collection and operation of the landfill)

Procurement 1st Batch Equipment	Delivery of the 1 <sup>st</sup> batch of SWM equipment is scheduled to coincide with the completion of construction of the controlled landfill. Discussions are ongoing with the local authorities on type and number of equipment
Procurement 2nd Batch Equipment	Procurement of the 2 <sup>nd</sup> batch of equipment is scheduled 1 year after commissioning of the landfill facility and composition of the 2 <sup>nd</sup> batch of equipment will depend on experiences obtained from the use of the 1 <sup>st</sup> batch

### 3.3.3 River Bank Protection for the Pursat River

41. Local authorities have informed that the proposed improvement of the Pursat river bank will now be undertaken with funding from the European Commission.

### 3.4 Institutional Development

Review and determine human resource requirements and training needs.	A training needs assessment has been completed for the PMU and PIUs
Preparation of a detailed capacity development plan for the project, catering to the needs of the PMU, PIUs, and future USUs	An initial capacity development plan has been prepared. No follow up actions have been undertaken during this reporting period. The capacity plan will be finalized after the way forward for the project is formally confirmed and accepted in the AM/MoU for the midterm review
Implementation of the capacity development plan	To be started after the way forward for the project is formally confirmed and accepted in the AM/MoU for the midterm review
Preparation of a road map for the establishment of USUs	<p>Schedule 4 of the loan agreement requires that PIUs in Kampong Chhnang and Pursat have been converted into fully-operational, semi-autonomous USUs and that each USU is established as a special operating agency with a committee (or equivalent) with the authority to levy and increase environmental sanitation fees before the contracts for the construction of the landfills can be awarded;</p> <p>To comply with this requirement two options are being considered:</p> <p><b>Option 1:</b> Municipalities establish a USU to carry out solid waste services as per sub-decree No. 113 that authorizes a municipality to establish a specific unit within their organization to carry out solid waste services - the sub-decree also states that revenue raised from solid waste services is income of the municipality. In accordance with sub-decree 113, municipalities can establish solid waste management semi-autonomous units (USU) by requesting the MOI which validates the justifications before legally each USU will be able to have its own banking account, separated from the municipal budget. Revenues are expected to come from urban services fees paid by residents. <b>The “downside”</b> is that the municipalities practically have no staff to place in these unit.</p> <p><b>Option 2:</b> PDPWTs establish the Wastewater Treatment System and Solid Waste Units (transfer of the PIUs) being under control of the PDPWT – as per the two Prakas (103 and 104), issued in December 2017 for Kampong Chhnang and Pursat. It is likely that bank account can be opened by the PDPWT for these units by the authority of the line ministry (MPWT) and guidance can be taken from the WWTP Unit established in Siem Reap (see their financial statements attached – new or updated figures now shows 40 % cost recovery). Authority to manage solid waste landfills (on behalf of the municipalities) can be given to such PDPWT controlled USUs by the municipalities – refer to article 31b in Prakas 113 – “corporate with other sub-national administration”. <b>The “downside”</b> is that establishment SWM under the PDPWT goes against the intentions of "establishment of an urban service unit" under the municipality and strengthen the capacity of the municipalities – seemingly being the overall purpose of sub-decree No. 113.</p> <p>It is unlikely that any of the above options can be implemented before the expiry of the present bid validity for the landfill construction. It would therefore be advisable to avail of the opportunity under the midterm review to tone down the requirement for establishment of USU prior to contract award.</p>
Preparation of a 3-year rolling corporate plan for the USUs	To be started
Support the establishment of USUs and the implementation of the corporate plan	To be started

### 3.5 Tariff Structure Tariff Setting and Subsidy Methodology

Review of current institutional arrangements for the provision of solid waste management, flood protection, drainage and sanitation services and review contracts currently ongoing for the different operating entities in operation of urban services	Review of current institutional arrangements for the provision of solid waste management flood protection, drainage and sanitation services and review contracts currently ongoing for the different operating entities has been completed during the 1 <sup>st</sup> quarter of 2019 and was detailed in the QPR 9. SWM is presently handled by the Municipalities and drainage by the PDPWTs. There are at present no management arrangements or fee collection for sewerage services in both project towns
Review of the financial performance of service delivery and capacity of implementing agencies regarding cost recovery, borrowing capacity, collection of fees and taxes, accounts receivable, and subsidies.	Financial performance of the provincial governments and municipalities of the project towns have been examined. The municipalities are virtually acting as agents of the central and provincial governments. The only revenue received by the municipalities, excluding government grants, is commission from revenue collected for the provincial government through the "one window service office". The municipalities at this stage have no revenue raising powers of their own.
Development of a tariff structure, tariff setting and subsidy methodology designed to achieve financial sustainability of the related urban services.	A tariff setting and subsidy methodology has been determined in the development of the solid waste tariff model and the setting of fees. The model provides for different tariffs in a number of categories however at this stage the methodology cannot be fully developed as the Project Towns have not been able to provide full details on customer numbers in various categories. A draft wastewater fee model has also been developed.
recommendations regarding an effective and appropriate regulatory mechanism to ensure requisite service quality and tariffs	The regulatory mechanism for solid waste fees has been examined. The Government has issued Prakas No 195 which details the maximum solid waste fee, including landfill fees, that can be charged for prescribed categories for solid waste services in Cambodia. Details have been provided in QPR 9 At present there is no mechanism to regulate wastewater fees. A similar concept to that used for solid waste fees would be suitable subject to the above comments on category numbers and basis for fee levels and fees not applying on a country wide basis.
Undertake a willingness to pay survey for solid waste collection and management and drainage services component of the targeted population.	A Draft Willingness to Pay Survey form for solid waste collection and management and drainage services has been developed
Development of a set of performance indicators and a monitoring mechanism	A draft report has been prepared on performance indicators for solid waste management and wastewater. The setting of benchmarks for performance indicators is difficult because in most cases the indicators have not been calculated widely, and in some cases not at all, in the past therefore the "norm" is unknown.

### 3.6 Public Private Partnership Development

review the existing private sector contracts in solid waste management,	Detailed review of the existing contracts for SWM in Pursat and Kampong Chhnang have been reviewed and results have been presented in QPR 5 and 6.
Development of a strategy for including existing private sector into SWM	As of this date review of the available documentation was undertaken and consultations were made with the MOE, CSARO, GAEA Companies. As well as with the PIUs, municipal governments, DOE, and solid waste collectors. In addition, connections were established with project implementation consultants for GMS CDTP-1 and PPTA teams for GMS CDTP-4 and GMS Capacity Development for Boarder Economic Zones

	in Boarder Areas (TA-8989-REG), in an attempt to get to a more coordinated and uniform approach for SWM in ADB funded urban development projects. Details have been provided in QPR 8 and 9
Advise the PIUs/USUs and provincial authorities on the most viable modalities for SWM.	Various modalities for PPP in SWM have been analyzed based on the discussions with the local authorities. Details have been provided in QPR 8 and 9
Assist the revenant authorities with the implementation of the selected modality for SWM including providing advice on procurement and O&M of SWM equipment.	To be started after agreement on the preferred modality for SWM
Identification of Performance Milestones to be implemented.	To be started

**3.7 Preparation of Urban Services Master Plans for Kampong Chhnang and Pursat**

Completion of base maps, and base maps available in online system	The consultant has set up of the online system, developed a structured data base for the urban services infrastructure, benchmarking of services and the planning of the expansion of the drainage/ sewerage and related water supply system. The consultant has collected the drone imagery for both towns and processed/reformatted the imagery for use in the online system. The consultant has also made all open source maps as well as maps provided by the local authorities available in the online system. This included the geospatial products delivered as part of the European Space Agency (ESA) funded EO4SD Urban project for Kampong Chhnang and Pursat in collaboration with ADB. The consultant has also developed the required interfaces for PC and Android devices for uploading, accessing and editing data
Completion of Urban Services Inventory and inventory available in online system	The consultant has mobilized specialized international and national specialists for the collection of all data on location of urbans services infrastructure, and related service activities including the benchmarking on the quality of services provided by this infrastructure and made all these data available in the online system.( <a href="http://kh.us.softavi.com">http://kh.us.softavi.com</a> )

**Table 3-1: Status of planned activities with milestones as presented in the PAM**

As Planned in the PBME	Present status
<b>1. Kampong Chhnang urban area environmental improvements</b>	
a) Conduct topographical and soil surveys (Q1, 2017)	Topographical surveys and geotechnical investigations completed for the new landfill site. The topographical survey work for the flood embankment has been completed
b) Update feasibility study and appraisal report for ADB and government approval (Q1–Q3, 2017).	The detailed engineering design for the Kampong Chhnang embankment has been completed and a full set of bidding documents prepared. However, in its letter dated 6 February 2019 the MEF has requested the cancellation of the embankment giving as reason for this request that the resettlement plan of April 2015 cannot be implemented
c) Issue bids, evaluate bids, and submit to ADB for no objection (Q4, 2017–Q3, 2018).	The bidding documents and invitation for bids for the two landfills (in Kampong Chhnang and Pursat) were approved by ADB on 7 September 2018.
d) Transfer O&M and tariff collection for SWM to USU (Q4, 2017–Q2, 2018)	USUs to be established, the municipality has assumed the responsibility for solid waste collection

As Planned in the PBME	Present status
<p>e) Award landfill civil works contract, procure landfill equipment and construct landfill (Q2, 2018–Q3, 2019)</p> <p>f) Transfer O&amp;M responsibilities for drainage and flood control systems to USU (Q3, 2018)</p> <p>g) Remediate old open dumpsites and construct controlled landfill (Q4, 2018–Q2, 2019)</p> <p>h) Award civil works contract and construct embankment (Q2, 2018–Q4, 2019)</p> <p>i) Dry season 1, Construct embankment segments A to C (Q1–Q3, 2019)</p> <p>j) Procure solid waste collection equipment (Q4, 2019)</p> <p>k) Hand over works of landfill site and defects liability period (Q4, 2019–Q4, 2020)</p> <p>l) Dry season 2, Construct embankment segments D to I (Q1–Q3, 2019 and Q1–Q3, 2020)</p> <p>m) Construct embankment segments I to M during higher lake levels (Q1, 2019–Q4, 2020)</p> <p>n) Road surfacing and supervision intermittent (Q1–Q2, 2020 and Q1–Q2, 2021)</p> <p>o) Handover embankment works and defects liability period (Q3,2021–Q3, 2022)</p> <p>p) Internal and external monitoring of safeguard documents (2017–2022, quarterly)</p>	<p>and has granted concessions to 2 private contractors for management of solid waste collection</p> <p>Contract award expected by Q1 2019 as the preparation of DDRs/RPs for the landfills is delayed. It is proposed to procure the equipment in two batches, 1<sup>st</sup> batch before completion of the landfill site and 2<sup>nd</sup> batch after one year of operation. Type and number of equipment will depend on operation modalities (force account of contract)</p> <p>USU have still to be established. After the approval of VO3 the PMIS has started providing support for the preparation of a road map for establishing USUs</p> <p>Construction of landfills likely to start in July 2019, remediation of old open dumpsites is legally difficult as the dumpsites are located on private properties. To remediate these sites, the Government would have to first acquire the respective sites</p> <p>MEF has requested ADB to cancel this subproject</p> <p>See above.</p> <p>Procurement of the first batch of SWM equipment will be scheduled to have delivery of equipment coincide with the commissioning of the landfill construction works</p> <p>On track</p> <p>See above</p> <p>MEF has requested ADB to cancel this subproject</p> <p>See Above.</p> <p>See Above</p> <p>Monitoring results will be presented in the QPRs.</p>
<b>2. Pursat urban area environmental improvements</b>	
<p>a) Conduct topographical and soil surveys (Q1, 2017)</p> <p>b) Update feasibility study and appraisal report for ADB and government approval (Q1–Q3, 2017)</p> <p>c) Transfer O&amp;M and tariff collection for SWM to USU (Q4, 2017–Q2, 2018)</p> <p>d) Issue bids, evaluate bids, and submit to ADB for no objection (Q4, 2017–Q2, 2018)</p>	<p>Topographical Surveys and geotechnical investigations have been completed</p> <p>Detailed designs have been completed Designs might have to be changed based on a decision on the change of scope of the project resulting from the cancelation of the embankment</p> <p>USUs to be established, the municipality has assumed the responsibility for solid waste collection and is negotiating an agreement with the Youth Environmental Committee for solid waste collection</p> <p>ADB has given no objection for the award of the landfill works contract. Draft bidding documents have been submitted to ADB but approval is pending as the</p>

As Planned in the PBME	Present status
e) Award contract for drainage and embankment works (Q3, 2018)	change of scope of the project might require redesign of the drainage and sewerage system  Embankment works have been cancelled as this is taken up under financial assistance from the EU. Contract award for the drainage system will be delayed till Q2 2020, because of the possible required redesign. Without the redesign the contract could be awarded by Q4 2019
f) Procure landfill equipment (Q2–Q3, 2018)	It is proposed to procure the equipment in two batches, 1st batch before completion of the landfill site and 2nd batch after one year of operation. Type and number of equipment will depend on operation modalities (force account of contract)
g) Award contract for landfill construction (Q4, 2018)	Expected by Q1 2019 because of delays in the preparation of DDRs/RPs for the landfills
h) Remediate old open dumpsites and construct controlled landfill (Q4, 2018–Q3, 2019)	Contract award is pending because of delays in the preparation of the DRP. Contract award is expected by July 2019
i) Construction of riverbank protection (Q3, 2018–Q2, 2019)	Closure of existing landfill sites can only be done if ownership of these sites is transferred to the government
j) Transfer O&M responsibilities for drainage and flood control systems to USU (Q3, 2018)	Flood control will be done under EU financing. As for now the Provincial Government through the Provincial Department for PWT will assume responsibility for O&M of the drainage and sewerage systems
k) Procure solid waste collection equipment (Q4, 2019)	See above at landfill equipment
l) Hand over works for landfill and defects liability period (Q4, 2019–Q4, 2020)	Target still likely to be met
m) Construct drainage system starting at foot of system, construct pumping stations and WWTP with road rehabilitation as required (Q4, 2018–Q2, 2020) Update feasibility study b and appraisal report for ADB and government approval (Q1–Q3, 2017)	Construction will start in Q3 2020  Delayed, possibly by Q3 2021
n) Supervise start-up and commissioning of WWTP (Q3–Q4, 2020)	Improvement river embankment has been cancelled, handover of drainage and sewerage works by Q3 2021
o) Handover of drainage and embankment works and defects liability period (Q3, 2019–Q1, 2022)	On track
p) Internal and external monitoring of safeguard documents (2017–2022, quarterly)	
q) Internal and external monitoring of safeguard documents (2017–2022, quarterly)	
<b>o3. Community mobilization and environmental improvements</b>	
a) Recruit International NGO (Q2–Q4, 2016) b) Train village development committee units for project briefing and output training (Q2–Q3, 2017) c) Climate change adaptation and sanitation needs assessments (Q1–Q2, 2017)	NGO has mobilized, presented an inception report and undertaken a detailed survey of sanitation needs for IDPoor 1 and IDPoor 2 households. In the 6 selected villages under the CMEI component the IDPoor classification does not seem to take into account if the households have a title of the plot they occupy. However, it seems that improvement of household sanitation can only be provided to HH that have a soft or hard title of their residential plot.

As Planned in the PBME	Present status
<ul style="list-style-type: none"> <li>d) Undertake community awareness programs (Q3, 2017–Q3, 2018 and intermittent)</li> <li>e) Needs assessments for small-scale infrastructure works on climate change adaptation and sanitation (Q1–Q3, 2017)</li> <li>f) Assist in planning, implementing, and supervising community environmental improvements (Q3, 2017–Q4, 2021)</li> <li>g)</li> <li>h) Prepare report on community environmental improvements and lessons (Q4, 2021)</li> <li>i) Internal and external monitoring of safeguard documents (2017–2022, quarterly)</li> </ul>	<p>Ongoing as part of the surveys and sanitation needs assessment.</p> <p>Needs assessment and small scale infrastructure has been focused on improvement of sanitation at HH level.</p> <p>Draft bidding documents for installation of HH level sanitation infrastructure have been submitted to the ADB</p> <p>Not yet due</p> <p>NGO will contribute to the safeguard monitoring, coordination between the NGO and the PIMS for safeguard monitoring will have to be developed.</p>
<b>4. Strengthened sector coordination and operations</b>	
<ul style="list-style-type: none"> <li>a) Recruit and mobilize climate change resilience consultants (Q3–Q4, 2016)</li> <li>b) Recruit and mobilize institutional development consultants (Q1–Q2, 2016)</li> <li>c) Prepare, approve, establish, and strengthen USU institutions (Q2, 2016–Q3, 2022)</li> <li>d) Review climate change and urban development documents, and sanitation standards in building codes (Q1, 2017)</li> <li>e) Implement TSUADF, including revising building codes and developing the plan for climate change adaptation in urban areas (Q2, 2017–Q1, 2019)</li> <li>f) Plan for climate change adaptation in urban areas is endorsed, including revised building codes in Tonle Sap provinces (Q4, 2018–Q1, 2019)</li> <li>g) National task force for urban development meetings (Q1, 2017–Q1, 2022)</li> </ul>	<p>Final report on climate resilience has been submitted</p> <p>Tasks and resources under this contract have been transferred to the PMIS under VO3</p> <p>Initial note on road map for establishment of USUs prepared by the PIMS, comments from ADB are being incorporated in the document.</p> <p>Final report submitted</p> <p>No information</p> <p>No information</p> <p>No information</p>
<b>5. Strengthened capacity for project implementation, and O&amp;M</b>	
<ul style="list-style-type: none"> <li>a) Appoint and update PMU and PIU members, including grievance focal points (Q1, 2016 and Q4, 2016)</li> <li>b) Recruit and mobilize project management and implementation support consultants (Q4, 2015–Q4, 2016)</li> <li>c) Recruit external resettlement monitor (Q3–Q4, 2016)</li> <li>d) Develop project performance management system and capacity development plan (sex-disaggregated) (Q2, 2017)</li> <li>e) Undertake training programs in project and financial management, procurement, safeguards, gender mainstreaming, and others (Q1, 2017–Q1, 2022)</li> <li>f) Submit quarterly project progress reports (1 month after each quarter, starting in Q1, 2017)</li> <li>g) Prepare annual PPME reports (31 January, 1 month after close of calendar year)</li> <li>h) Submit Government completion and post-evaluation reports on resettlement activities (Q2, 2019 and Q1, 2020)</li> <li>i) Submit government project completion report and resettlement report (Q3, 2022)</li> </ul>	<p>Ongoing</p> <p>Completed</p> <p>Not done</p> <p>Initial capacity building plan has been prepared and presented to the PMU and PIUs. Performance management system to be prepared</p> <p>To be initiated</p> <p>Ongoing</p> <p>Included in this quarterly report as only preparatory activities are ongoing, has been agreed to merge PPR and DFM data sheets for the PPME</p> <p>No yet Due</p> <p>Not yet due</p>

## 4 PROJECT MANAGEMENT ARRANGEMENTS

### 4.1 PMU and PIUs

14. MPWT is the executing agency (EA). The implementing agencies (IAs) are the Provincial Department of Public Works and Transport (PDPWT) and Municipal Governments in Kampong Chhnang and Pursat. A Project Steering Committee (PSC) has been established by MPWT although the PSC has not been activated. The PSC would be responsible for: (i) overseeing implementation in conformity with the Project's development objectives and scope; (ii) assisting in coordination among government agencies involved in Project implementation and policy reforms (in consultation with the PCU in Phnom Penh); (iii) ensuring coordinated and efficient implementation of Project activities; (iv) monitoring the progress of achieving all outputs, in particular, measuring the development impact and outcome envisaged under the Project; and (v) provide guidance and direction towards the accomplishment of the Project's impact and outputs. The PSC should be chaired by MPWT and members include representatives from Ministry of Economy and Finance (MEF), Tonle Sap Authority (TSA), MPWT, and Ministry of Land Management Urban Planning and Construction (MLMUPC). ADB implementation review meetings have become the de-facto meetings of the PSC

15. A Provincial Coordinating Committee (PCC) has been established in each town to oversee the work of the PIUs. The PCC includes Provincial Governor (chair), deputy governors or municipality governors (deputy chair), select members of the provincial technical coordinating committee, and PMU project director (members), PIU manager (secretariat). There is one woman in each committee. The PCC has met in several opportunities

16. A project management unit (PMU) has been established with full time staff from MPWT. The PMU includes a Project Director, Project Manager, two Supervisory Engineers, Social and Resettlement Officer, Environment Officer, Office Manager, Procurement Officer, Accounting Officer, Assistant Accountant and Secretary/Office Assistant. It is aimed that at least 30% of the PMU staff are women. This target has not yet been achieved. During the midterm review the overall a restructuring of the management of the ADB financed urban development projects was discussed but this restructuring has not been further detailed or developed and is not yet implemented.

17. The project management and implementation support (PMIS) consultants is based in Phnom Penh and works directly with the PMU. The consultant team leader and PMU Procurement Officer are verifying all procurement and consulting service documents.

18. The PMU is responsible for coordinating detailed preparation and implementation of project activities. More specifically it is (i) promoting the Project to the targeted beneficiaries; (ii) assisting in subproject development and implementation; (iii) evaluating the technical, financial and economic, social, and environmental viability of proposed subprojects; (iv) undertaking Project supervision and monitoring; (v) establishing and implementing the Project Performance Management System (PPMS); (vi) preparing community action plans, bidding arrangements, and bid documents; (vii) evaluating bids; (viii) awarding and supervising construction contracts; (ix) exercising quality control; and (xi) recruiting, managing and supervising project consultants. The PMU reports directly to the General Department of Public Works (GDPW) regarding project-related matters.

19. Mr. Ya Samol, Project Engineer, was hired on April 25, 2018 for 22 person months to oversee all implementation activities under the Project Director. Mr. Samol's TOR includes close coordination on activities relating to financial management, procurement, engineering and administration with the executing and implementing agencies

20. Project Implementation Units (PIUs) are set up in Kampong Chhnang and Pursat and are operational. The PIU's are staffed jointly by the Provincial Department of Public Works and Transport and the Municipal government.

### 4.2 Project Implementation and Management Support (PMIS) Consultant

21. The contract with the PMIS consultants, Korea Engineering Consultants Corp. (KECC) in joint venture with NIRAS A/S and in association with Key Consultants (Cambodia) Ltd., was signed on 20 October 2016 and the consultant services were started on 17 November 2017

#### 4.2.1 Utilization Consultants' Inputs

22. Up to the end of this reporting period, the total person-months used can be summarized as follows.

**Table 4-1: Consultant's Staff Inputs**

Specialists	Total p/m	p/m used	Balance	Percentage P/M used
International	81.00	47.35	33.65	58.5%
National	355.00	170.17	184.83	47.9%
Total	436.00	217.52	218.48	49.9%

### 4.3 Financial Management

Conditions	Action Taken
<p>The MPWT will pursue improved collection of fees and charges for urban environment infrastructure to recover the cost of O&amp;M expenditures. The MPWT has applied a similar approach in Siem Reap under the Greater Mekong Subregion Mekong Tourism Development Project where a special municipal office has been established to collect user fees of the wastewater treatment plant and collection fees from private and institutional users. A similar approach will be used for the project towns. A special operating agency and account will be established and linked to contract awards for embankment protection in Kampong Chhnang and for drainage in Pursat. These units will be encouraged to introduce business plans to recover O&amp;M costs for the services provided. An environmental sanitation fee will be introduced—reducing the risk to medium–low.</p>	<p>The municipalities in Kampong Chhnang and Pursat have assumed responsibility for SWM, but the services are carried out by means of concessions grants to private entities or civil society organizations, who are directly responsible for the collection of service fees from the customers. The different legal, institutional and administrative frameworks mandated under the several decrees for O&amp;M of urban services will make it difficult to unite O&amp;M for all these services under a single municipal office and establishing an all inclusive environmental sanitation fee.</p>
<p>The PIUs will draw management staff from PDPWTs and municipalities. A PMU in the MPWT will support the PIUs in project implementation. The PMU will use a project financial management system developed under previous ADB projects, and will be responsible for all procurement. It will support the PIUs, with assistance from the project management and implementation support consultants. A provincial coordination committee will guide the project in each town. Each PIU sub-account will have a ceiling of \$5,000. To ensure strict financial controls, each PIU will be required to liquidate every month. A late submission of liquidation (more than 10 days from the end of the month) will be grounds for suspension of the sub-account—reducing the risk to low–medium.</p>	<p>PIUs have been established and are fully staffed with personnel from the PDPWTs and Municipalities. The PMU has adopted the financial management system developed by ADB. A provincial coordination committee has been set up. No sub-project accounts have as yet been established for the PIUs</p>
<p>The implementation arrangements are outlined in the project administration manual. All procurement will be done from within the PMU; a representative from each PIU will be invited to participate on the procurement committee. An imprest account will be established in the PMU. A sub-account will be established in each PIU, with a ceiling of \$5,000 and requirement for monthly liquidations. The proposed fund allocation also helps minimize fund mismanagement—reducing the risk to low.</p>	<p>An imprest account has been established in the PMU. The PMU is undertaking all the required actions for procurement in accordance with the project administration manual.</p>
<p>Each government ministry has a Department of Inspectorate, whose role is to carry out the functions of an internal auditor within the ministry, and ensure that government rules and regulations are observed at all times. The MPWT has extensive experience in undertaking audits for externally financed projects. The Standard Operating Procedures for all Externally Financed Projects/Programs in Cambodia (May 2012) outline the requirements for internal audit—reducing the risk to low–medium.</p>	<p>Audits are done in accordance with the Standard Operating Procedures for all Externally Financed Projects/Programs in Cambodia (May 2012) outline the requirements for internal audit</p>
<p>The MEF will recruit an independent auditor to carry out external audits of all externally financed projects, including ADB-supported projects. The Standard Operating Procedures for all Externally Financed Projects/Programs in Cambodia (May 2012) outline the requirements for external audit—reducing the risk to low–medium.</p>	<p>The MEF has engaged an independent auditor to carry out external audits of all externally financed projects, including ADB-supported projects</p>

## 5 SAFEGUARDS

### 5.1 Environmental Safeguard Monitoring

Subproject	Status/activities	Comments
Kampong Chhnang Flood Protection Embankment Construction	MEF has requested the cancelation of the subproject	All works for the embankment have been suspended
Kampong Chhnang Landfill Construction and Operation	EMP and IEE have been finalized. Preparation of the domestic IEIA is ongoing	The draft final IEIAs for the Kampong Chhnang and Pursat landfills have been submitted to the EIA department of the MoE. It is expected that the inter-ministerial meeting will be held in August and the license issued by October 2019
Pursat Improvement of the Combined Storm Water and Sewerage System and Construction of the Waste Water Treatment Plant	EMP and IEE have been finalized. Preparation of the domestic IEIA is ongoing	
Pursat Landfill Construction and Operation	EMP and IEE have been finalized. Preparation of the domestic IEIA is ongoing	

### 5.2 Monitoring of the implementation of the Resettlement and Compensation Plans

Subproject	Status/activities	Comments
Kampong Chhnang Flood Protection Embankment Construction	DMS/SES has reportedly been completed for 51 AH in the village of Phsar Chhnang and in the Chong Koh Village of for 47 self-relocated AH, 46 AH relocated to the resettlement area and 143 AH to be relocated.	All works for the embankment have been suspended
Kampong Chhnang Landfill Construction and Operation	DDR Kampong Chhang has been updated to reflect no compensation for waste pickers due to them operating on privately owned land. Final information needed from GDR on meeting minutes and date for screening approval,	Land titles of the privately owned dump sites have been provided to GDR
Pursat Improvement of the Combined Storm Water and Sewerage System and Construction of the Waste Water Treatment Plant	DRP Pursat drainage is being finalized based on the latest survey results of AH and stall operators in the market area	The DRP is being finalized. Collection of all field level data and public consultations have been completed
Pursat Landfill Construction and Operation	DRP Pursat landfill has been updated to reflect no compensation for waste pickers due to them operating on privately owned land. Final information needed from GDR on meeting minutes and date for screening approval.	The DRP is being finalized. Collection of all field level data and public consultations have been completed. The required land acquisition for the access road to the landfill is to be completed together with the 3 <sup>rd</sup> party validation

### 5.3 Social Safeguards

#### 5.3.1 The indigenous peoples

23. The indigenous peoples safeguard category for the project has been set as C. Kampong Chhnang flood embankment has direct impact on ethnic Cham. However, monitoring of the indigenous peoples safeguards in the Kampong Chhnang Flood Protection Embankment subproject has been suspended as the MEF has requested the ADB for cancellation of the subproject. There are no indigenous people in the other subprojects.

### 5.3.2 Grievance Redress Mechanism (GRM).

24. Ministry of Economy and Finance (MEF) General Department of Resettlement (RD-MEF) have set up Provincial Resettlement Sub-Committees Working Groups (PRSC-WG) in October 2017 for Kampong Chhnang and prepared the set up for Pursat, awaiting approval of the Provincial Governor. RD-MEF has also provided guidance to the Provincial Resettlement Sub-Committees (PRSC) to operationalize Grievance Redress Mechanism (GRM) for the project in mid-October 2017. The committees for Kampong Chhnang seem not to be operational.

### 5.3.3 Gender Action Plan

25. The Project is classified as 'Effective Gender Mainstreaming' (EGM) under the Asian Development Bank's (ADB) guidelines (March 2010). The Project impact is increased economic activities and environmental protection in towns in the Tonle Sap Basin and the outcome of the project will be improved urban services and enhanced climate change resilience in Kampong Chhnang and Pursat municipalities. A Gender Action Plan (GAP) has been prepared in accordance with ADB's Policy on Gender and Development (1998), ADB Operations Manual Section C2/BP (2010) Gender and Development in ADB Operations, and the Government's goal to strengthen the role and social status of women through capacity building for women in all sectors, changing discriminatory social attitudes, and safeguarding women's rights to actively and equally participate in nation building.

26. The Gender Action Plan includes specific gender actions to help ensure men and women actively participate in project activities, receive project information, and have access to opportunities during project implementation. There are no changes in the status of the GAP since the previous quarterly report. The GAP monitoring table is presented in annex 5.

## 6 PROJECT PERFORMANCE

27. The following provides a summary assessment of the likelihood of reaching the targets set out in the DMF, and areas where the DMF needs to be changed.

Design Summary	Performance Targets and Indicators with Baselines	Assessment of the Project Implementation
<p><b>Outcome</b> Improved urban services and enhanced climate change resilience in Kampong Chhnang and Pursat municipalities.</p>	<p>By 2023: a. At least 100,000 residents benefit from the project in Kampong Chhnang and Pursat municipalities (2013: 42,500 residents in Kampong Chhnang and 51,400 residents in Pursat). b. Households affected by floods in Kampong Chhnang reduced by 80% (2013: 5,400 households).</p>	<p>Too early to assess</p>

Design Summary	Performance Targets and Indicators with Baselines	Assessment of the Project Implementation
<p><b>Outputs</b></p> <p><b>Outputs 1</b></p> <p>Kampong Chhnang urban area environmental improvements</p>	<p>By 2022: (Baseline: not applicable, if not otherwise stated)</p> <p>1a. At least 15.1 km of embankment and road improved and constructed to a once in 50 years frequency flood level or 1:50 year flood levels (2013: range 1:1–1:20)</p> <p>1b. 365 ha of urban land in 14 villages, and 950 ha of agricultural land in 14 villages are free from flooding from Tonle Sap.</p> <p><i>As alternative investment options to replace the flood protection embankment, construction of a new sewerage system with a WWTP is proposed providing sewerage disposal services to about benefiting about 3.400 houses or commercial establishments (16.000 persons), limited flood protection works protecting approximately 270 houses, protected from regular flooding and 330 houses, from occasional flooding and drainage improvement protecting 330 houses from flooding by overland storm water runoff</i></p> <p>1c. About 10 ha is converted into a controlled landfill.</p> <p>1d. Two open dumpsites are closed and capped.</p> <p>1e. Household collection increases to at least 60% in the municipality of Kampong Chhnang (2013: 4% or 400 households)</p>	<p>MEF has requested the cancellation of the embankment</p> <p><i>Performance targets are only indicative and have to be refined based on the detailed design of these alternative investment options</i></p> <p>Cumulative waste collection after 10 years is estimated to be between 60.000 to 80.000 tonnes, which can be accommodated in one or two landfill cells with a total area of 1 ha.</p> <p>The open dumpsites are located on private land. The legal implications for closing these dumpsites which would require public investment on private property, will have to be assessed</p> <p>SWM operation modalities would focus on achieving this target</p>
<p><b>Output 2</b></p> <p>Pursat urban area environmental improvements</p>	<p>By 2022: (Baseline: not applicable, if not otherwise stated)</p> <p>2a. At least 9.89 km of drains are improved and extended (2013: 5.64 km of drains) controlled landfill.</p>	<p>During the validation of the PPTA it was found that there are 22 km of existing drains. Inconsistent levels of the existing drains combined with</p>

Design Summary	Performance Targets and Indicators with Baselines	Assessment of the Project Implementation
	<p>2f. Two open dumpsites are closed and capped (2013: 1 of 2 landfill sites is closed)</p> <p>2g. Household collection increases to at least 60% in Pursat municipality (2013: 11%)</p>	<p>deferred maintenance has resulted a partial blockage of pipes and outfalls. The detailed design focused on the improvement of the existing pipelines but because of the inconsistent pipe levels and limited accessibility to the existing pipelines it will be necessary to install 19 km new pipelines to overcome to level problems in the existing pipelines</p> <p>The open dumpsites are located on private land. The legal implications for closing these dumpsites which would require public investment on private property, will have to be assessed</p> <p>SWM operation modalities would focus on achieving this target</p>
<p><b>Output 3</b></p> <p>Community mobilization and environmental improvements</p>	<p>By 2022: (Baseline: 0)</p> <p>3a. At least 40% of participants in output activities and training are women.</p>	<p>NGO has started community mobilization, for details refer to reporting by the NGO</p>
<p><b>Output 4</b></p> <p>Strengthened sector coordination and operations</p>	<p>By 2022: (Baseline: not applicable)</p> <p>4a. A plan for climate change adaptation in urban areas around the Tonle Sap is adopted by Tonle Sap provinces</p> <p>4b. Building codes with refined latrine standards are adopted by Tonle Sap provinces.</p> <p>4c. MPWT chairs at least two coordination meetings per year</p> <p>4d. Semi-autonomous USUs in Kampong Chhnang and Pursat municipalities are established and become operational (20% of staff are women).</p>	<p>Ongoing, no progress data available</p> <p>Ongoing, no progress data available</p> <p>Ongoing, no progress data available</p> <p>Delayed, PMIS will assume the responsibility for establishment of the USUs after approval of VO3</p>
<p><b>Output 4</b></p> <p>5. Strengthened capacity for project implementation, and operations and maintenance</p>	<p>By 2022:</p> <p>5a. At least 20% of training participants are qualified women (2013: 5%-10%)</p> <p>5b. A capacity development program is adopted by each municipality (baseline: not applicable).</p>	<p>A training needs assessment was completed and based on this assessment a capacity development plan was prepared and presented during a workshop in May 2018. The plan will be finalized once a final agreement has been reached on the way forward for the project</p>

## **7 LOAN COVENANTS**

### **7.1 Sched 5, para 3: Roadmap for Establishing Urban Service Units: Within 12 months of the Effective Date**

28. The award of package CW06 for the construction of the Kampong Chhnang and Pursat landfills requires the effective establishment of a USU in both towns and it was agreed that “effective establishment” means, in concrete terms, the transformation of the PIUs to USUs and the opening on a special account dedicated to the USUs. In order to open a special account within the provincial department of public works, approval of the MEF will be required. It might be possible to establish USUs either within the PDPWTs or in the Municipalities, however complying with the condition that each USU is established as a special operating agency with a committee (or equivalent) with the authority to levy and increase the Environmental Sanitation Fees, (understood as having the authority to operate a special ring-fenced bank account), will be both legally and administratively complicated. Up to this date the MTPW has even been reluctant to establish the project mandated sub-project account for the PIUs.

29. Therefore, it is recommended that opportunity of the midterm review should be used to tone down this requirement. Strictly adhering to this condition will lead to further substantial delays in project implementation.

### **7.2 Sched 5, para 4: Environmental Sanitation Fees. Within 18 months of the Effective Date**

30. 20. The Solid Waste Tariff Models that have been developed for the Project Towns estimates the fees and charges that will be required to finance solid waste services, including operation and management of the landfill. Due to the lack of information on customer numbers in the proposed categories the non-residential fee is based on a Riel/m<sup>3</sup> basis.

31. Prakas no. 195 acts as a regulatory mechanism by providing the maximum fee level in a number of customer categories with the categories further divided into the capital city, municipalities and districts. The Prakas provides for fifteen categories and over one hundred sub-categories including five categories for residences and fourteen sub - categories. The concept in Prakas No. 195 is suitable to be used as a regulatory mechanism for setting solid waste fees and charges subject to the following: (i) the number of categories and sub - categories be reduced for municipalities; (ii) maximum fee levels be based on waste generation rather than income and/or property values; (iii) maximum fee levels be provided for individual towns/cities rather than on a country wide basis

32. At present there is no mechanism to regulate wastewater fees. Waste water fees should be preferably linked to water supply, However, in both project towns water supply is managed by private operators.

33. Therefore, as outcome of the midterm review, the covenant for the establishment of uniform environmental sanitation fees should be modified to more accurately reflect the present situation and the available options for solid waste and sewerage service fees.

### **7.3 Sched 5, para 10; Land Acquisition and Involuntary Resettlement, Kampong Chhnang Embankment**

34. . In its letter of 6 February the MEF has requested ADB for the cancelation of the embankment construction as the resettlement plan of April 2015 could not be implemented.

35. . A summary of the covenants is presented in annex 6.

## 8 ASSESSMENT OF VALIDITY OF KEY ASSUMPTIONS AND RISKS

36. In the Project Design and Monitoring Framework the following risks that could adversely affect effective implementation and sustainable benefits had been identified. The present validity of those risks can be summarized as follows:

<b>Assumptions and Risks</b>	<b>Validity</b>
Outcome Improved urban services and enhanced climate change resilience in Kampong Chhnang and Pursat municipalities.	
Economic activities are adversely affected by natural disasters and lack of climate change impact mitigation. Municipalities are not prepared to collect revenues for O&M of urban infrastructure.	MEF has requested the cancellation of the Kampong Chhnang embankment which was vulnerable to damage by natural disasters. The other infrastructures under the project have a lower vulnerability to such disasters The capacity for resource mobilization by Municipalities will have to be studied in more detail. Detailed designs will take into account the initial investment cost versus O&M cost of the infrastructures.
<b>Output 1. Kampong Chhnang urban area environmental improvements</b>	
Project start-up delays increase the number of affected people along the embankment alignment CSOs and/or NGOs raise concerns during project implementation.	MEF has requested for the cancellation of the embankment
<b>Output 2. Pursat urban area environmental improvements</b>	
NGOs raise concerns during project implementation	The INGO under package 4 will close cooperate with local NGOs and timely address the concerns of affected people. Beneficiary population and the general population. The implementation of the stakeholder communication plan should timely address and mitigate these concerns.
<b>Output 3. Community mobilization and environmental improvements</b>	
CSOs and/or NGOs raise concerns during project implementation.	See above
<b>Output 4. Strengthened sector coordination and operations</b>	
A plan for climate change adaption will be difficult to formulate as short and midterm environmental impacts will mainly result from the flow alterations in the Mekong River, due to development activities in the upstream countries. These will cause negative effects for ecosystem productivity, and thus also for livelihoods of the inhabitants of Tonle Sap floodplain, who directly depend on the lake's natural resources. The projected changes in the dry-season water levels, estimated to increase the water level in Tonle Sap Lake by 0.15– 0.60 m, would, in particular, be harmful to the present ecosystem of the lake.	The Mekong River Commission has commissioned a study on Modelling of Future Land-Use, Infrastructure & Flood Behaviour across the Cambodian Floodplain, Tonle Sap and The Mekong Delta of Cambodia under different land use, development and climate change scenarios. A report with the results of the study is available
<b>Output 5. Strengthened capacity for project implementation, and operations and maintenance</b>	
Participants might not be fully receptive to the training and capacity building	A detailed training needs assessment has been completed, Based on detailed consultations with all the potential recipients of training activities
<b>Financial Management Arrangements</b>	
Municipalities are not prepared to collect revenues for O&M of urban infrastructure.	Problems in revenue collection are being identified by the municipal financing specialists Establishment of the USUs would improve the capacity of municipalities to collect revenues
The project implementation units (PIUs) in Kampong Chhnang and Pursat are new entities and may have difficulty in managing project sub-accounts and adhering to accounting policies and procedures.	The PIUs will draw management staff from PDPWTs and municipalities. A PMU in the MPWT will support the PIUs in project implementation. The PMU will use a project financial management system developed under previous ADB projects, and will be responsible for all procurement. It will support the PIUs, with assistance from the PMIS

	consultants. A provincial coordination committee will guide the project in each town.
Fund mismanagement	The implementation arrangements are outlined in the project administration manual. All procurement will be done from within the PMU; a representative from each PIU will be invited to participate on the procurement committee. An imprest account will be established in the PMU. However sub-account has not yet been established in each PIU. This cast doubt over the viability to transform the PIUs into USUs.
Inadequate internal audit	Each government ministry has a Department of Inspectorate, whose role is to carry out the functions of an internal auditor within the ministry, and ensure that government rules and regulations are observed at all times. The MPWT has extensive experience in undertaking audits for externally financed projects. The Standard Operating Procedures for all Externally Financed Projects/Programs in Cambodia (May 2012) outline the requirements for internal audit
Inadequate external audit	The MEF has recruited an independent auditor to carry out external audits of all externally financed projects, including ADB-supported projects. The Standard Operating Procedures for all Externally Financed Projects/Programs in Cambodia (May 2012) outline the requirements for external audit

## 9 TARGETS FOR THE NEXT QUARTER

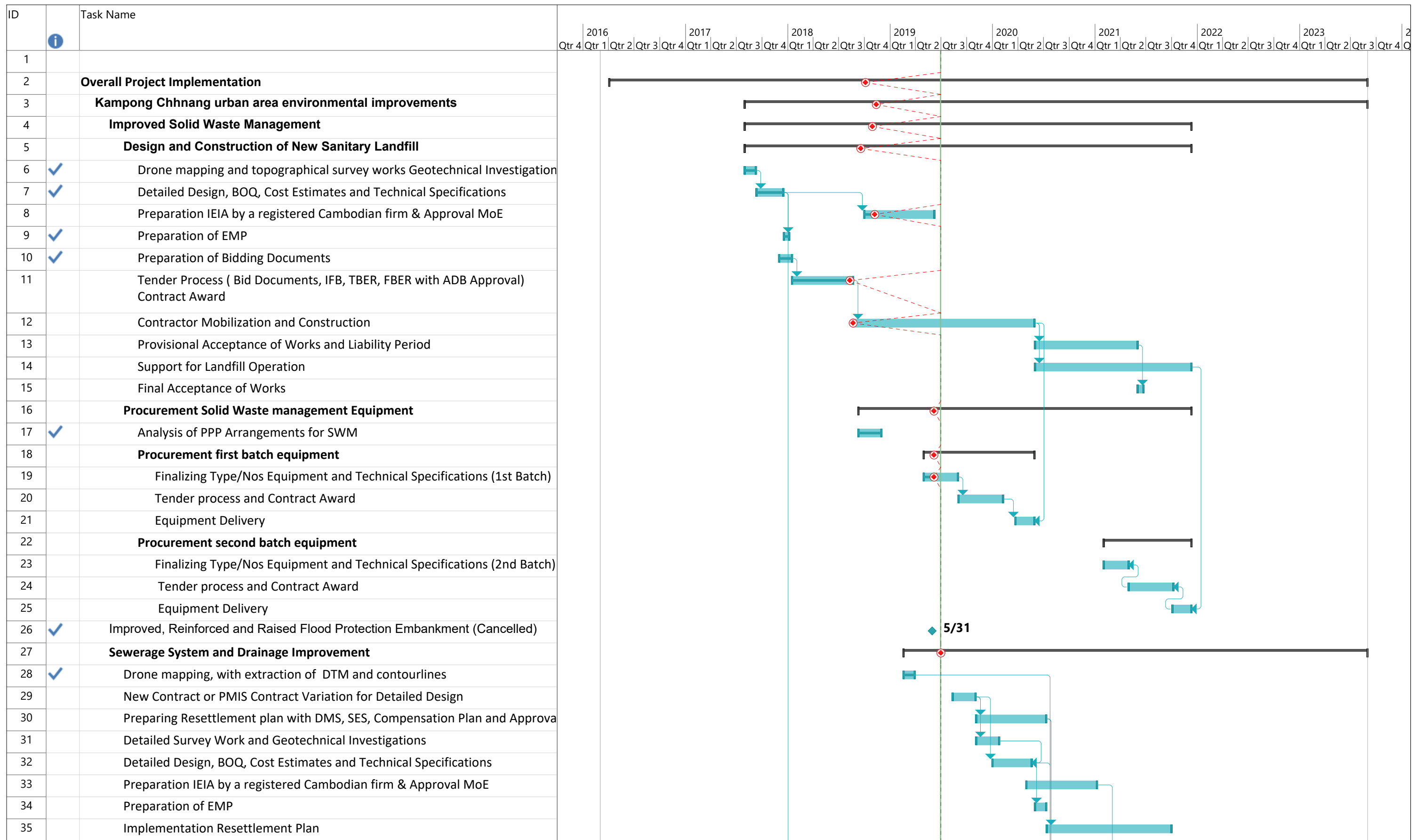
37. The targets for the next quarter can be summarized as follows:

Targets this quarter	Compliance	Targets next quarter
If ADB agrees to cancel the embankment the PMIS will provide assistance if required for identifying alternative investment options.	The PMIS has prepared and presented alternative investment options for Pursat and Kampong Chhnang	A final agreement will have to be reached on the selection of alternative investment options to replace the flood embankment
If the redesign and of the Pursat Drainage system is accepted as an alternative investment option, this would involve separating the sewerage from the storm water drainage system and expand the coverage of drainage and sewerage services. If this is to be done by the PMIS additional resources would be needed which would require a contract variation.	The separation of the drainage and sewerage system and expansion of these systems in Pursat was not accepted as an alternative investment option. It was agreed to further explore the construction of a new sewerage system with a WWTP in Kampong Chhnang together with selective drainage improvements	If the alternative investment options proposed for Kampong Chhnang are confirmed a contract variation will be required for the detailed design of these options under the PMIS, or the DED will have to be procured under a new contract..
Continue with the preparation of the drainage masterplans for Kampong Chhnang and Pursat, with will include the preparation of an inventory of urban services infrastructure and a concept design for improvement and expansion of the infrastructure	The online urban services management system has been made operational and the inventory of existing infrastructure has been completed and made available in the system together with the high resolution drone imagery of both towns	Continue with the preparation of the drainage masterplans for Kampong Chhnang and Pursat, with will focus on the development of tools for drainage and water supply design within the system, and the completion of draft drainage and sewerage master plans for both towns
Update the EMP for Pursat drainage system based on the proposed redesign and expansion of the system	EMPs for the landfills have been finalized	Follow up on the completion and approval by MEF of the domestic IEIAs
Finalize the DDR and DRP for the Kampong Chhnang and Pursat landfills. Finalizing the RP for the Pursat drainage system will depend on the change in scope of the project and the related redesign of the Pursat drainage system	The DDR and DRPs have been substantially completed. PMIS has assisted GDR in addressing the comments of ADB on the documents	Final approval the DDR and DRP for the Kampong Chhnang and Pursat landfills and for the Pursat drainage system
Review and amend the capacity development plan based on the change in the scope of the project and continue to support the preparation of a road map for the establishment of USUs in coordination with the other ongoing urban development projects	Activities focused on meeting the requirements under schedule 4 of the loan agreement for establishment of USUs as a special operating agency prior to award any landfill or solid waste management Works contract	Activities for establishment of USUs will focus on two options: (i) Option 1: Municipalities establish a USU to carry out solid waste services as per sub-decree No. 113, and; Option 2: PDPWTs establish the Wastewater Treatment System and Solid Waste Units (transfer of the PIUs) being under control of the PDPWT – as per the two Prakas (103 and 104), issued in December 2017 for Kampong Chhnang and Pursat
Contract award and support the start of construction of the Pursat and kampong Chhnang landfills including training for the implementation and monitoring of the EMPs	The bid validity of the works contracts for the landfill construction had to be extended till 15 September because of delays in	Unless the requirement for the establishment of USUs as a special operating agency prior to award any landfill or solid waste management Works contract is relaxed it will not be

	completion and approval of the DDR/DRP, IEIA and establishment of USUs	possible to award the contract during the next quarter.
Continue safeguard monitoring, including assuring the implementation of the GAP	The input of the international social development/resettlement specialist has been exhausted	A contract variation will be required to increase the input of the social development/resettlement specialists

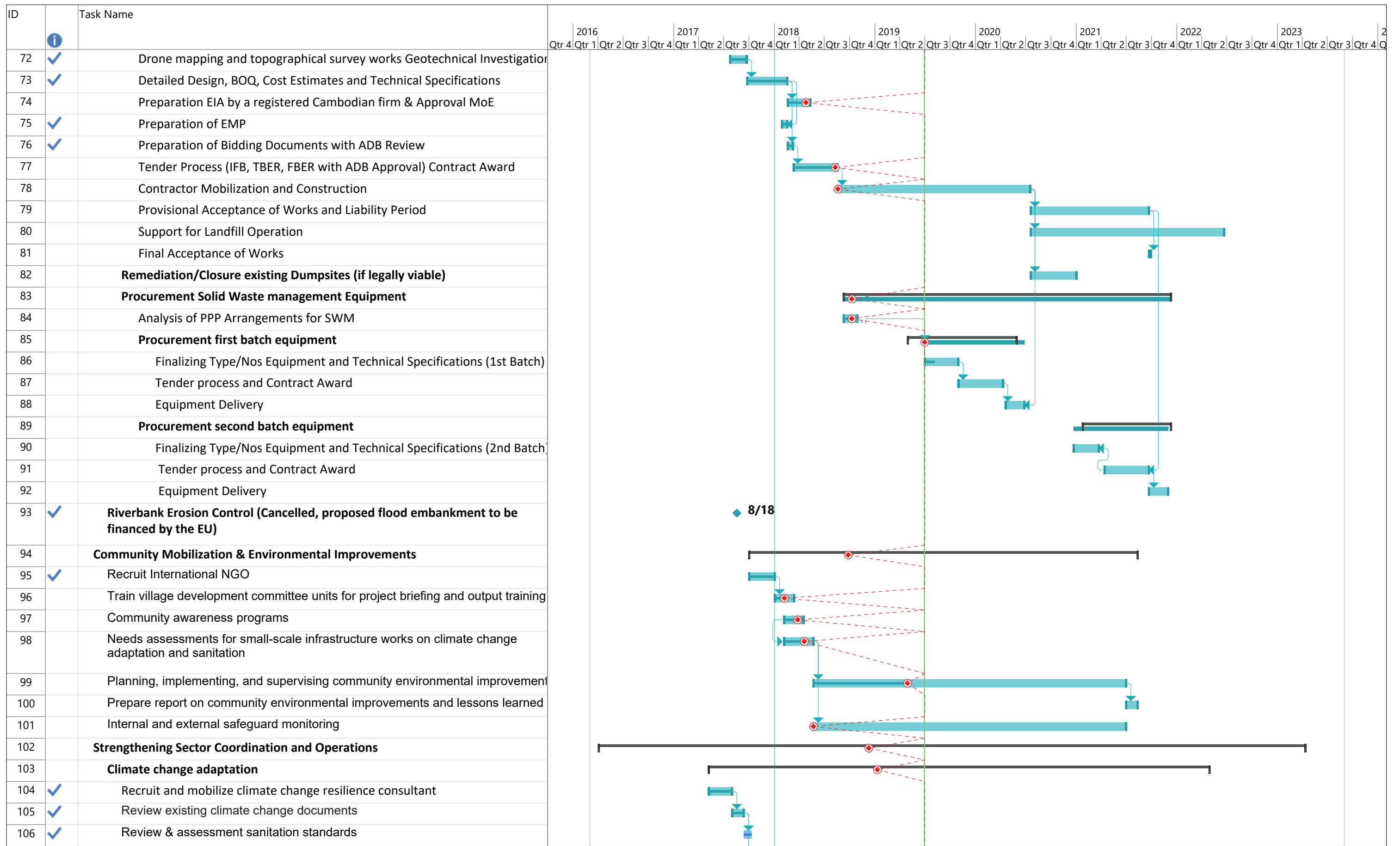
## **Annexes**

<b>Annex 1 : Revised Implementation Schedule</b>
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Project: Implementation schedu Date: Sun 7/21/19	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			





Project: Implementation schedule Date: Sun 7/21/19	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			



**Annex 2 : Revised Personnel Schedule**



**Annex 3 : Fund Utilization**

## Status of Loan Utilization (Loan 3311)

As of 30 June 2019

Cat. Ref.	Category Name	US Dollars					
		Allocation	Contracts Awarded	Uncontracted Loan Balance	Contracts Disbursed	Undisbursed Loan Balance	Undisbursed Contract Balance
		A	B	C = A - B	D	E = A - D	F = B - D
01A	CW - KC Flood Protection	14,017,198	-	14,017,198	-	14,017,198	-
01B	CW - KC Solid Waste Mgt.	428,006	-	428,006	-	428,006	-
01C	CW - Pursat Flood Protection	596,151	-	596,151	-	596,151	-
01D	CW - Pursat Drainage	4,828,964	-	4,828,964	-	4,828,964	-
01E	CW - PS Solid Waste Mgt	1,014,430	-	1,014,430	-	1,014,430	-
01F	CW - KC Small-scale Inf. Dev.	729,556	-	729,556	-	729,556	-
01G	CW - PS Small-scale Inf. Dev.	729,556	-	729,556	-	729,556	-
02A	GD - KC Solid Waste Mgt.	726,776	-	726,776	-	726,776	-
02B	GD - PS Solid Waste Mgt	810,154	-	810,154	-	810,154	-
02C	GD - KC Embank. Manual Equipment	36,130	-	36,130	-	36,130	-
02D	GD - PS Flood Manual Equipment	36,130	-	36,130	-	36,130	-
02E	GD - PS Drainage Manual Equipment	36,130	-	36,130	-	36,130	-
03A	WS - Project Mgt & Implement Supp.	573,685	534,000	39,685	82,035	491,650	451,965
03B	WS - SSCD	9,727	-	9,727	-	9,727	-
04A	CS - PM & IS	3,369,991	3,597,913	(227,922)	1,396,874	1,973,117	2,201,039
04B	CS - SSCD	95,884	-	95,884	-	95,884	-
04C	CS - Survey & Investigations	62,467	135,000	(72,533)	115,350	(52,882)	19,650
05A	IA - Office and Travel Expense	393,997	140,369	253,627	55,780	338,217	84,590
05B	IA - Vehicles	145,142	134,500	10,642	134,500	10,642	-
05C	IA - Equipment	13,780	51,453	(37,673)	41,018	(27,238)	10,435
06	Interest During Implementation	1,383,075	-	1,383,075	31,845	1,351,231	(31,845)
07	Unallocatd	6,592,405	-	6,592,405	-	6,592,405	-
	Imprest Account	586	-	586	436,000	(435,414)	(436,000)
	<b>Total</b>	<b>36,629,923</b>	<b>4,593,235</b>	<b>32,036,687</b>	<b>2,293,400</b>	<b>34,336,522</b>	<b>2,299,835</b>

**Status of Loan Utilization (Loan 8295)**

As of 30 June 2019

Cat. Ref.	Category Name	US Dollars					
		Allocation	Contracts Awarded	Uncontracted Loan Balance	Contracts Disbursed	Undisbursed Loan Balance	Undisbursed Contract Balance
		A	B	C = A - B	D	E = A - D	F = B - D
1	CW - KC Flood Protection	4,982,000	-	4,982,000	-	4,982,000	-
2	Service During Implementaton	18,000	-	18,000	-	18,000	-
	Imprest Account			-	-	-	-
	<b>Total</b>	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>-</b>

**Status of Grant Utilization (Grant 0454)**

As of 30 June 2019

Cat. Ref.	Category Name	US Dollars					
		Allocation	Contracts Awarded	Uncontracted Loan Balance	Contracts Disbursed	Undisbursed Loan Balance	Undisbursed Contract Balance
		A	B	C = A - B	D	E = A - D	F = B - D
01A	CW - PS Drainage	2,460,000	-	2,460,000	-	2,460,000	-
01B	CW - KC Sanitation Improvement	510,000	-	510,000	-	510,000	-
01C	CW - PS Sanitation Improvement	510,000	-	510,000	-	510,000	-
02A	WS - NGO SCEI	200,000	-	200,000	-	200,000	-
02B	WS - CCAUD	10,000	10,000	-	-	10,000	10,000
03A	CS - CCAUD	200,000	200,000	-	290,496	(90,496)	(90,496)
03B	CS - NGO SCEI	810,000	829,878	(19,878)	361,868	448,132	468,010
03C	CS - Survey and Investigation	100,000	165,796	(65,796)	-	100,000	165,796
04	Unallocated	200,000	-	200,000	-	200,000	-
	Advance Account	-	-	-	194,000	(194,000)	(194,000)
	<b>Total</b>	<b>5,000,000</b>	<b>1,205,674</b>	<b>3,794,326</b>	<b>846,364</b>	<b>4,153,636</b>	<b>359,310</b>

**Annex 4 : Contract Award and Disbursement Projections**



**Annex 5 : Gender Action Plan Monitoring Table**

### GENDER ACTION PLAN MONITORING TABLE

STRATEGY	ACTIVITIES AND TARGETS	TIMELINE	RESPONSIBILITY	PROGRESS	ISSUES & CHALLENGES	
<b>Output 1: Kampong Chhnang Urban Environmental Improvements</b>						
Economic empowerment for women	1.1 Equal employment opportunities for female and male unskilled local labor is improved through contractors following relevant clauses on core labor standards in the special conditions of contract (equal pay for equal work, equal opportunities for employment, prioritize employment of women and the poor, providing protective gears to workers, no use of child labors, etc)	During implementation of construction contracts from Q1 2019 to Q2 2021	Contractors, with oversight from PMU, and PMIS consultants	Relevant clauses on core labor standards have been included in the special conditions of contract		
	<b>Target</b> 100% compliance with core labour standards included in the special conditions of contract.					
Reduction in gender inequalities and social risks	1.2 Households irrespective of income, ethnicity or gender of household head receive equal compensation and payment for any land acquisition, resettlement or livelihood losses.	Before award of the respective construction contracts Q4 2018 to Q4 2019	PMU, IRC/GDR, PMIS consultants, and Contractors	Not started		
	<b>Target</b> 100% compliance on equal compensation for similar losses with no gender difference.					
	1.3 Women's financial security is improved by registering household main assets in both husband and wife names.	Before award of the respective construction contracts Q4 2018 to Q4 2019				
	<b>Target</b> In case of relocation 100% of land titles issued in both wife and husband names					
	1.4 Safe and hygienic sanitation conditions are provided for women at work sites.	During implementation of construction contracts from Q1 2019 to				Hygienic sanitation conditions have been included in the special conditions of contract
	<b>Target</b> 100% of contractors provide separate toilet and washing facilities for women and men with adequate privacy for women including adequate arrangements for Menstrual Hygiene Management.					
1.5 Mitigate HIV/AIDS and human trafficking risks during civil works	During implementation of construction contracts from Q1 2019 to	Not started				
<b>Target</b> 100% of contractors' labor force participate in HIV/AIDS training provided by PMIS. Contractors facilitate participation of labour force during working hours.						

STRATEGY	ACTIVITIES AND TARGETS	TIMELINE	RESPONSIBILITY	PROGRESS	ISSUES & CHALLENGES
<b>Output 2: Pursat Urban Environmental Improvements</b>					
Economic empowerment for women	1.1 Equal employment opportunities for female and male unskilled local labor is improved through contractors following relevant clauses on core labor standards in the special conditions of contract (equal pay for equal work, equal opportunities for employment, prioritize employment of women and the poor, providing protective gears to workers, no use of child labors, etc)	During implementation of construction contracts from Q1 2019 to Q2 2021	Contractors, with oversight from PMU, and PMIS consultants	Relevant clauses on core labor standards have been included in the special conditions of contract	
	<b>Target</b> 100% compliance with core labour standards included in the special conditions of contract.				
Reduction in gender inequalities and social risks	2.2 Households irrespective of income, ethnicity or gender of household head receive equal compensation and payment for any land acquisition, resettlement or livelihood losses.	Before award of the respective construction contracts Q4 2018 to Q4 2019	PMU, IRC/GDR, PMIS consultants, and Contractors	Not started	
	<b>Target</b> 100% compliance on equal compensation for similar losses with no gender difference.				
	2.3 Women's financial security is improved by registering household main assets in both husband and wife names.	Before award of the respective construction contracts Q4 2018 to Q4 2019		Not started	
	<b>Target</b> In case of relocation 100% of land titles issued in both wife and husband names				
	2.4 Safe and hygienic sanitation conditions are provided for women at work sites.	During mobilization of contractors		Hygienic sanitation conditions have been included in the special conditions of contract	
<b>Target</b> 100% of contractors provide separate toilet and washing facilities for women and men with adequate privacy for women including adequate arrangements for Menstrual Hygiene Management.					
2.5 Mitigate HIV/AIDS and human trafficking risks during civil works	At the start of				

STRATEGY	ACTIVITIES AND TARGETS	TIMELINE	RESPONSIBILITY	PROGRESS	ISSUES & CHALLENGES	
	<p><b>Target</b></p> <p>100% of contractors' labor force participate in HIV/AIDS training provided by PMIS. Contractors facilitate participation of labour force during working hours.</p>	<p>construction works and periodically during the construction activities depending on the turnover of construction labour</p>		<p>Not started</p>		
<b>Output 3: Community Mobilization and Environmental Improvements (CMEI)</b>						
<p>Enhance women's involvement in planning, awareness, and commune and household level conditions on hygiene</p>	<p>3.1 Improved household level sanitation for poor female-headed households which would focus on; (i) safe disposal of urine and faeces including desiccated and composted wastes; (ii) good personal hygiene practices; (iii) importance of clean toilets; food hygiene; (iv) access to clean drinking water and keeping stored water clean and hygienic; (v) safe disposal of wastewater; (vi) implications of inappropriate hygiene practices and associated diseases.</p>		<p>PMU, PIUs, NGO, PDOWA and WCCC</p>	<p>NGO has started HH surveys in villages selected during the PPTA. No survey data have been made available</p>	<p>A well structured mechanism for data sharing between the PMIS and NGO will have to be agreed upon.</p>	
	<b>Targets</b>					
	(i) Household sanitation grants cover 100% of IDPoor 1 and IDPoor 2 female-headed households;				No data	
	(ii) clean functional toilets available for all HH				No data	
	(iii) proper maintenance with safe disposal of urine and faeces for all toilet facilities;				No data	
	(iv) all HH have access to safe drinking water;				No data	
	(v) In all HH good hygienic practices introduced.				No data	
	3.2 Women participate in identification of commune small-scale infrastructure needs and their location					
	<b>Targets</b>					
	(i) 40% of participants in CMEI consultations are women.				No data	
	(ii) 100% of women groups in CMEI project localities are consulted on location and appropriateness of small-scale infrastructure.				No data	
	3.3 Hygiene training and awareness campaigns benefit women				No data	
	<b>Targets</b>					
	(i) 40% of participants in CMEI training sessions are women.				No data	
(ii) 30% of hygiene campaigns focus on menstrual hygiene and solid waste management (SWM).			No data			

STRATEGY	ACTIVITIES AND TARGETS	TIMELINE	RESPONSIBILITY	PROGRESS	ISSUES & CHALLENGES
<b>Output 4: Strengthened sector coordination and operations</b>					
Improve integration women's needs in institutional structures for urban area development	4.1 Semi-autonomous urban service units (USU) have women represented.	Depends on the establishment of the USUs	PMU, PIU, PMIS consultants and PDOWA	An initial note on the establishment of USUs has been prepared emphasizing the representation of women	Support for the establishment of USUs by the PMIS will require a contract variation that will transfer the responsibilities and inputs under package 3 to the PMIS
	<b>Target</b>				
	At least 20% of USU staff in Kampong Chhnang and Pursat are women.			Not started	
	4.2 Consultations during Master Plan studies for improvement urban services take into account women's needs.	Q4 2018 to Q1 2019		Not started	
	<b>Targets</b>				
	(i) 100% of women groups are consulted.			Not started	
(ii) 40% participants in general consultations are women.	Not started				
<b>Output 5: Strengthened Capacity for Project Implementation, and Operations and Maintenance</b>					
	<b>Targets</b>				
	5.1 At least 1 member of the Project Steering Committee is a woman.	Before the first meeting of the steering committee		Steering committee has not yet met	
	5.2 At least 30% of PMU and 30% of staff in both PIUs are women, preferably in decision making and technical positions; 2017 Baseline: PMU=1 woman (administration); PIU Kapong Chhnang=1 women (administration); PIU Pursat=1 women (administration).	Q 4 2019		No change in the composition of the PIUs	The present composition of the PMU and PIUs is not in compliance with the target set in the GAP/PAM
	5.3 Project management and implementation consultants include an international social development /resettlement specialist (6 person-months) and national gender specialist (6-person months).	Q4 2016		The international social development specialist has been mobilized. The national gender specialist has not yet been mobilized	
	5.4 A resettlement/social development officer is appointed in the PMU	Q1 2017		A resettlement/social development officer has been appointed in the PMU	

STRATEGY	ACTIVITIES AND TARGETS	TIMELINE	RESPONSIBILITY	PROGRESS	ISSUES & CHALLENGES
Capacity of women strengthened for project implementation, and operations and maintenance	5.5 A government community coordinator is appointed in Pursat PIU and two government community coordinators are in Kampong Chhnang PIU.	Q1 2017	PMU, PIUs and PMIS consultant	2 community coordinators have been included in the Kampong Chhnang PIU and 1 community coordinator in the Pursat PIU	
	5.6 A representative from the PDOWA is appointed to the provincial coordination committee in Pursat and Kampong Chhnang.	Q1 2017		A representative from the PDOWA has participation in meetings with the provincial coordination committee in Pursat and Kampong Chhnang	
	5.7 The annual project performance monitoring and evaluation reports will include progress against sex-disaggregated indicators. Routine monitoring will be done, and indicators and risks added to logical framework.	Q1 2019		A performance monitoring system which will include sex-disaggregated indicators is being set up	
	5.8 Progress reports (e.g., quarterly, safeguards, annual project performance monitoring and evaluation, and PPCR reports) include information on gender activities. The GAP monitoring table is updated and attached to the project progress report (twice a year)	Q4 2018		Included in this progress report	
	5.9 GAP performance included in mid-term and final project reviews.	Dates to be confirmed		Not due	
	5.10 At least 20% of technical training participants are professional staff women of PMU, PIUs and other relevant government agencies.	Q4 2021		Not started	

**Annex 6 : Compliance with Loan Covenants**

Ref	COVENANT	STATUS	ACTIONS	REMARKS
<b>Covenants in the Loan Agreement</b>				
<b>Sched 5, para 2</b>	<b>Tonle Sap Urban Areas Development Framework. Within 18 months of the Effective Date, the Borrower shall ensure the adoption of the Tonle Sap Urban Areas Development Framework,</b> an urban planning document that guides sustainable and climate resilient infrastructure development and growth of urban areas in the Tonle Sap basin.	Due in September 2017.  Under review by Under Secretary of State.	Prakas to be adopted following further review by Secretary of State, Minister MPWT.	Adoption is pending
<b>Sched 5, para 3</b>	<b>Roadmap for Establishing Urban Service Units: Within 12 months of the Effective Date,</b> the Borrower shall ensure, and cause the Project Executing Agency to ensure, that the plans for establishing semi-autonomous USUs within the municipalities of Kampong Chhnang and Pursat are in place, including relevant draft ministerial <u>prakas (or ministerial decisions) to be signed by MPWT</u> for the establishment of USUs, its board of directors (or its equivalent), staffing requirements, human resource recruitment plan, office location, reporting responsibilities, financial management and audit requirements, good governance actions, assets transfer, and <u>timeline and process of conversion from a PIU to a USU.</u>	<b>Due by 02 March 2017.</b> <b>Non-compliant</b>	Ministerial Prakas (103 PRK/SK for Pursat and 104 PRK/SK for Kampong Chhnang), issued on 29 March 2017, establishes the Ministry's commitment for formally establishing a self-financed "wastewater and solid waste management unit in each of the municipalities.  An Initial Note on Urban Service Unit Road Map has been prepared by the PIMS and comments from ADB are being incorporated	Ministerial Prakas for this purpose were issued on issued on 29 March 2017, confirming the Ministry's commitment for formally establishing a self-financed "wastewater and solid waste management unit in each of the municipalities, these two Prakas, issued in December 2017 for Kampong Chhnang and Pursat (see attached working paper), are provided the legal basis to establish Wastewater Treatment System and Solid Waste Units (WTSSWUs) under control of the PDPWT, not the municipalities. In this respect it is worth noting that these prakas include solid waste management, for which responsibility has been decentralized to the municipalities..

<b>Sched 5, para 4</b>	<b>Environmental Sanitation Fees. Within 18 months of the Effective Date</b> , the Borrower shall ensure, and cause the Project Executing Agency to ensure, that each USU conducts a <b>review of existing Environmental Sanitation Fees</b> levied in the municipalities of Kampong Chhnang and Pursat and completes a <b>feasibility study on levying Environmental Sanitation Fees that recovers operations and maintenance costs and gradual depreciation</b> of solid waste management, flood control and drainage, taking into account affordability for the poor.	Due in <b>September 2017. Non-compliant</b>	Review ongoing under PMIS. In light of the scheduling of other activities related to the construction of solid waste and waste water/drainage infrastructure the date for the establishment of an environmental sanitation fee was premature	Studies SWM O&M cost recovery and gradual depreciation cost has been completed. However a complex tariff structure mandated in Prakas 195 requires a detailed census of the customers before the tariffs can be finalized
<b>Sched 5, para 5</b>	<b>Project Performance Monitoring and Evaluation.</b> Within 18 months of the Effective Date, the Borrower shall ensure, and cause the Project Executing Agency to ensure, that a project performance monitoring and evaluation is established, acceptable to ADB, to monitor and evaluate the Project performance during implementation.	Due in September 2017	Project Performance Monitoring is ongoing, it has been agreed that the PPR can be expanded, incorporating a data set for the DMF, to form the PPME	Since multiple consultant teams are involved in the implementation of the project responsibilities for and coordination of data collection will need proper coordination. And possibly the development of an online data collection system
<b>Sched 5, para 6</b>	<b>Environmental Decommissioning of Open Dumpsites.</b> The Borrower shall ensure and cause the Project Executing Agency to ensure that the open dumpsites in Kampong Chhnang and Pursat relating to the Project shall be closed and properly decommissioned according to the plans set forth in the IEEs and finally in the IEEs updated during detailed design.	Not yet due	The existing open dumpsites are mainly located on private land owned or leased by the SWM contractors. The legal implications of closing these private dumpsites with public funds still have to be explored	It is proposed to add a national legal specialist to the PIMS team for assessment of legal issues with regard to closing private dumpsites
<b>Sched 5, para 7</b>	<b>Plan for Climate Change Adaptation. Within 36 months of the Effective Date</b> , the Borrower shall ensure that the Project Executing Agency has adopted the plan for climate change adaptation in urban areas around the Tonle Sap and revised building codes.	Not yet due.		
<b>Sched 5, para 8</b>	<b>Counterpart Funds.</b> The Borrower shall ensure that all counterpart funds necessary for the Project is provided on a timely basis.	Ongoing.		

<p><b>Sched 5, para 9</b></p>	<p><b>Environment.</b> The Borrower shall ensure, and cause the Project Executing Agency to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the EARF, IEEs, the EMPs, and any corrective or preventative actions set forth in a Safeguards Monitoring Report. The Borrower shall ensure, and cause the Project Executing Agency to ensure, that the foregoing is applied and implemented for all outputs of the Project described in Schedule 1, regardless of the financing source.</p>	<p>Ongoing.</p>	<p>Updating the EMPs and IEE for the Pursat and kampong Chhnang landfills has been finalized The preparation of the domestic IEIA is ongoing and the inter-ministerial meeting is expected to be held in June 2019</p>	<p>The EMP and IEE as well as the domestic IEIA for the Pursat drainage system might have to be updated again if the drainage and sewerage systems will be redesigned and expanded</p>
<p><b>Sched 5, para 10</b></p>	<p><b>Land Acquisition and Involuntary Resettlement.</b> The Borrower shall ensure, and cause the Project Executing Agency to ensure, that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with the RPs based on (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the applicable principles and requirements set forth in the SPS; and (c) any necessary corrective or preventative actions as agreed by the IRC set forth in a Safeguards Monitoring Report.</p>	<p>MEF has requested to ADB for the cancellation of the embankment giving as reason that the resettlement Plan dated 2015 cannot be implemented</p>		
	<p>Without limiting the application of the SPS or the RPs, the Borrower shall ensure or cause the Project Executing Agency to ensure that no physical or economic displacement takes place in connection with the Project until:</p> <p>(a) prior to the award of any Works contract which involves involuntary resettlement impacts, the Borrower has (i) updated the agreed RPs following completion of detailed design; and (ii) prepared, disclosed to affected persons and submitted to ADB the final RPs based on the Project's detailed design and obtained ADB's concurrence with such RPs;</p> <p>(b) compensation and other entitlements have been provided to affected people in accordance with the RPs; and</p> <p>(c) a comprehensive income and livelihood improvement program has been put in place in accordance with the RPs.</p>			<p>All works for the flood protection embankment have been suspended</p>

<p><b>Sched 5, para 11</b></p>	<p><b>Indigenous Peoples.</b> The Project, including Output 3 described in Schedule 1 hereto, shall benefit Ethnic Minorities. The Borrower shall ensure and cause the Project Executing Agency to ensure, that it adheres to applicable laws and regulations of the Borrower relating to indigenous peoples, and the Indigenous Peoples Safeguards and any corrective or preventative actions set forth in a Safeguard Monitoring Report.</p>	<p>Not yet due</p>		
<p><b>Sched 5, para 12</b></p>	<p><b>Human and Financial Resources to Implement Safeguards Requirements.</b> The Borrower shall ensure, and cause the Project Executing Agency to ensure, to make available the necessary budgetary and human resources to fully implement the EARF, EMPs and the RPs.</p>	<p>Not yet due</p>		
<p><b>Sched 5, para 13</b></p>	<p><b>Safeguards – Related Provisions in Bidding Documents and Works Contracts.</b> The Borrower shall ensure, and cause the Project Executing Agency to ensure, that all bidding documents and contracts for Works contain provisions that require contractors to:</p> <p>(a) comply with the measures relevant to the contractor set forth in the EARF, IEEs, the EMPs and the RPs (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;</p> <p>(b) make available a budget for all such environmental and social measures; and</p> <p>(c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the EARF, IEEs, the EMPs and the RPs.</p>	<p>Not yet due</p>		
<p><b>Sched 5, para 15</b></p>	<p><b>Safeguards Monitoring and Reporting.</b> The Borrower shall ensure, and cause the Project Executing Agency to do the following:</p> <p>(a) no later than the commencement of land acquisition and resettlement activities, engage qualified and experienced external monitoring organization(s) (EMO), under the terms of reference(s) acceptable to the Borrower and ADB to verify information produced through the Project monitoring process and facilitate the carrying out of any verification activities;</p>	<p>Being brought in compliance</p>	<p>External monitoring organization to be recruited by GDR</p>	<p>To be recruited</p>

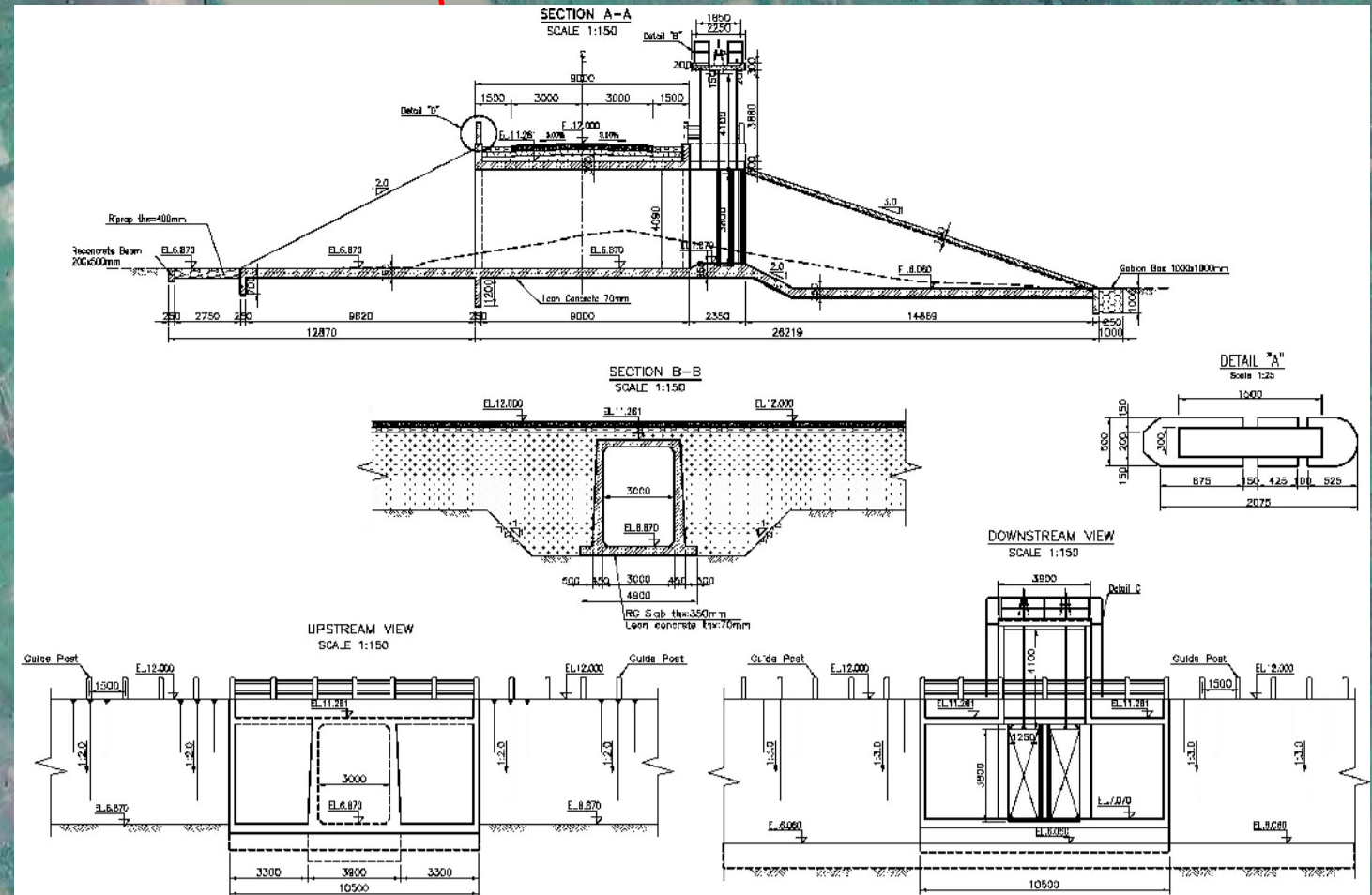
	<p>(b) submit quarterly Safeguards Monitoring Reports relating to implementation of and compliance with the RPs and submit semi-annual Safeguards Monitoring Reports relating to the implementation of and compliance with the EARF, EMPs, and any IPP (if it becomes applicable), in each case to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(c) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the EARF, IEEs, the EMPs and the RPs, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and</p> <p>(d) report any actual or potential breach of compliance with the measures and requirements set forth in the EARF, EMPs or the RPs promptly after becoming aware of the breach.</p>			
<p><b>Sched 5, para 16</b></p>	<p><b>Gender and Development.</b> The Borrower shall ensure, and cause the Project Executing Agency to ensure, that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB; and (e) key gender outcome and output targets including, but not limited to, 30% of staff in the PMU and PIUs and 20% of staff of USUs shall be composed of women.</p>	<p>Ongoing.</p>	<p>This quarterly report includes the status of compliance with the Gender Action Plan.</p>	
<p><b>Sched 5, para 17</b></p>	<p><b>Labor.</b> The Borrower shall ensure, and cause the Project Executing Agency to ensure (i) compliance with all applicable labor laws of the Borrower on the prohibition of child and forced labor; (ii) giving of equal pay for equal work regardless of gender, ethnicity or social group; and (iii) dissemination of information on sexually transmitted diseases (including HIV/AIDS) and human trafficking to sub-contractors/employees and local communities surrounding the Project construction sites.</p>	<p>Ongoing</p>		

<p><b>Sched 5, para 18</b></p>	<p><b>Governance and Anticorruption.</b> The Borrower, the Project Executing Agency and the Project Implementing Agencies shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.</p>	<p>Ongoing</p>		
	<p>The Borrower, the Project Executing Agency and the Project Implementing Agencies shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.</p>	<p>Ongoing</p>		
<p><b>Sched 5, para 19</b></p>	<p><b>Prohibited List of Investments.</b> The Borrower shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.</p>	<p>Ongoing</p>		

**Annex 7 : Overview of the input by Key International and National Specialists**



**Annex 8 : Alternative Investment Options for Kampong Chhnang**



Culvert with Gated Outlet  
Drainage Canal

Drainage Canal  
Open Canal 3 km  
Covered Canal 0.9 km

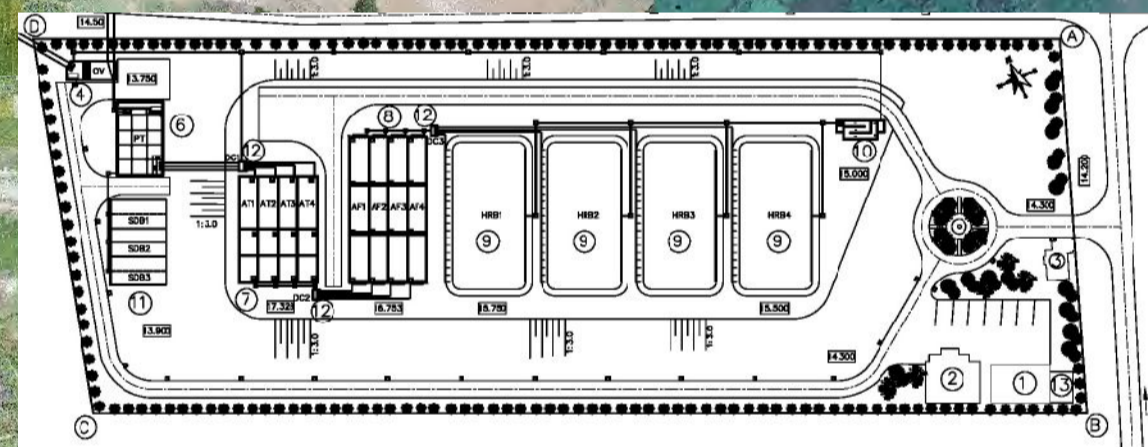
Protection from flooding by  
overland storm water runoff  
approximately 330 houses

Protection from occasional flooding  
approximately 330 houses

Proposed Sewerage System  
45 km collector lines, 3 km trunk lines  
Coverage about 3,400 houses or  
commercial establishments  
(16,000 persons)

Cleaning/reshaping  
drainage stream

Protection from regular flooding  
approximately 270 houses



WWTP on backfilled area (18 ha.)

Flood protection for WWTP  
and adjacent low lying areas  
1.4 km embankment reconstruction  
0.9 km road embankment strengthening

Works	Qty	Unit	Unit Cost	Amount (USD)
Sewer Collector Lines	45,000	m	125	5,625,000
Sewer Trunk Lines	3,000	m	350	1,050,000
WWTP	1			2,600,000
Land Filling	18	ha	120,000	2,160,000
Embankment	1,400	m	950	1,330,000
Strengthening Road Embankment	940	m	750	705,000
Drainage Canal	3,660	m	1,200	4,392,000
Outlet structure	1		250,000	250,000
				18,112,000

