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Notification of Joint Multilateral Development Bank (MDB) Programming Mission to Support Cambodia's Preparation Towards Developing the Pilot Program for Climate Resilience (PPCR) Strategic Program for Climate Resilience

October 12 - 22, 2009

Background

1. The Pilot Program for Climate Resilience (PPCR) is the first active Program under the Strategic Climate Fund (SCF) of the Climate Investment Funds (CIF)¹. The PPCR will be transformational by piloting and demonstrating approaches for the integration of climate risk and climate resilience into core development policies, planning and budgeting, and to strengthen related capacities at the national and regional levels. The program aims to provide incentives for scaled-up action and transformational change in integrating climate resilience considerations in the country's development strategies and programs and on other ongoing initiatives; and enable learning-by-doing and sharing of lessons and good practice at country, regional and global levels.

2. The PPCR will be implemented in two phases. Phase 1 will result in the design of a Strategic Program for Climate Resilience. It would involve: (i) a stocktaking of the country situation (including progress in considering climate resilience in development planning & investments; other ongoing and planned programs); and (ii) an assessment of the country's readiness to accelerate this process with PPCR support and define gaps and needs to formulate the Strategic Program (analyses, consultations, essential immediate capacity building, and other processes). In Phase 2 the Strategic Program would be implemented.

3. Cambodia has been selected for participation in the PPCR as one of nine pilot countries and two regions. Its acceptance of this offer to participate was recently confirmed by the PPCR Steering Committee. The country is among the most vulnerable in South East Asia to extreme events, particularly to tropical cyclones and heavy monsoon rains, usually resulting in annual flooding. It is also prone to periodic droughts. Its vulnerability is exacerbated by the large proportion of the population affected by climate risks due to their dependence on livelihoods that are derived from natural resources which are severely impacted by the hazards mentioned above.

4. In accordance with PPCR guidelines, the next step in development of the PPCR is for the Royal Government of Cambodia (RGC)² to initiate and lead a joint programming mission that includes the World Bank, the Asian Development Bank (ADB) and the International Finance

¹ The Climate Investment Funds are comprised of the Clean Technology Fund and the Strategic Climate Fund.

² It was agreed with the RGC that the mission would be led by the Ministry of Economy and Finance.

Corporation (IFC).³ UNDP has also been invited to participate in this mission. In preparation for this joint mission the two MDBs carried out a preliminary briefing mission (June 1- 5, 2009), including holding a roundtable attended by 38 participants from government departments, civil society and development partners. At the exit meeting, chaired by the Ministry of Economy and Finance (MEF), it was agreed that the joint mission could begin in early September. In accordance with PPCR guidelines, it would be led by the RGC (MEF) and include the World Bank and the ADB (and possibly IFC). The mission will engage a range of government sectors and levels, civil society groups (including the private sector and academe), and relevant development partners. It was also agreed that, given their experience on climate change impacts in Cambodia, UNDP could participate in the mission. Consequently, these TOR are jointly prepared by the RGC, World Bank and ADB for the joint mission to Cambodia proposed for the period October 12 - 22, 2009.

Mission Objectives

5. Following PPCR guidelines, the main objective of the joint mission is to assist Cambodia to put in place a clear process for formulating a Strategic Program for Climate Resilience. The mission would review progress, plans, and strategies that take account of climate risks, as well as other relevant documents, and provide a platform for joint work of the development agencies, the private sector and NGOs to support government in the formulation of an agreed strategic approach and investment program for integrating climate resilience into core national development and key sector strategies and actions.

Scope of Work

6. The main activities of the joint mission would include: (i) a stock taking effort of country level activities on climate resilience, and identification of gaps; (ii) initial assessment of opportunities for mainstreaming climate resilience in national and local development policy, planning, regulatory and budgetary processes and in the key vulnerable sectors; (iii) broad based consultations with development partners and national stakeholders; (iv) identification and outline of implementation arrangements for the activities under Phase 1; (v) preparation of a detailed proposal for developing the Strategic Program during Phase 1 to include, *inter-alia*, a work program, timetable, implementation arrangements, roles and responsibilities and budget.

Country Stocktaking on Climate Resilience

7. The mission would take stock of current country-level activities which could or do build climate resilience, and would focus on the following key issues:

- (a) Assess current practices, institutional arrangements and capacity for the use of climate risk information in relevant institutional structures (national, regional, local) and in cross-sectoral mechanisms; and assess agency mandates for addressing

³ At this stage, IFC's participation is yet to be confirmed.

climate change adaptation. On-going and planned activities (projects) on climate resilience should also be documented. The assessment should include the adequacy (coverage and quality) of existing data and other information on climate risks, vulnerabilities and adaptation assessments and the capacity building needs in relevant agencies, in order for them to provide and apply timely, targeted, credible and defensible climate risk information, including climate forecasts and projections, as appropriate to specified timescales and applications

- (b) Taking account of previous assessments which showed that climate risks had not been effectively integrated into relevant national (Rectangular Strategy, National Strategic Development Plan) and sector policies, plans and regulations, and regional plans, the mission would identify entry points for promoting an enabling environment to respond to climate impacts (at national level, in communities, and in relevant sectors);
- (c) Assess the opportunities for incorporating climate change adaptation (CCA) and disaster risk reduction (DRR) into national, provincial and community level policy, planning, fiscal and budgetary processes; consult closely with the on-going public expenditure review which will also be examining how climate risks can be integrated into budgetary processes and fiscal planning;
- (d) Review existing climate change related plans – including the NAPA and First and Second National Communications, DRR, CCA and management strategies, including relevance for the Strategic program;
- (e) Given the presence of established and emerging coordination mechanisms for the work of Government and Development Partners in climate resilience, the mission would identify how the PPCR could align with these processes.
- (f) Assess the range of available relevant information and participatory processes to determine climate related vulnerabilities and impacts of key economic sectors and stakeholders including the private sector), and identify significant gaps;
- (g) Identification of gaps and preparation of recommendations

Sector Assessments

8. The mission would undertake an assessment of relevant sector development policies & strategies and identify needs and options to integrate climate change adaptation with the support of the PPCR in order to make climate resilience an integral part of the country's development & sector strategies. Existing V&A assessments, including the NAPA, suggest that agriculture and water (including associated infrastructure) are the two sectors that are likely to be most affected by climate change, though the mission should not restrict analyses to only these sectors. These are also the priority sectors for development identified by the RGC in the Rectangular Strategy. The mission would make a preliminary targeted climate risk assessment of these sectors, as well as energy, transport, rural infrastructure and ecosystems to identify opportunities for enhancing the climate resilience of investments in key components of these sectors and thematic areas. Specifically, the mission would consider, *inter alia*, how the Strategic Program could support specific sector interventions and enhance the climate resilience of investments in the most

vulnerable sectors. V&A assessments also show climate impacts on the health sector with increases in the incidence of vector borne and other diseases. Phase 1 will involve further analysis on prioritization of sectors, sub-regions and actions within the public and private sectors that would lead to greatest impacts on climate resilience, including the influence of social and socio-economic drivers.

Broad Based Consultations

9. The mission will consult widely with key national stakeholders, including civil society and academe, development partners and the private sector in order to incorporate a wide range of views. This participatory process would help to build national ownership of the PPCR, and reach consensus on the priorities for action by the public and private sectors given the climate risks facing the country.

Identification and Outline of Phase 1 Activities

10. The mission would prepare an annotated outline of the proposal for preparing the Strategic Program for Climate Resilience (see Para. 11 below), to be attached to the aide memoire/mission report. This would include the activities to be carried out, implementation arrangements, timetable, budget and expected results

Work Program and Funding Proposal to Develop the Strategic Program

11. Following the mission, the government, supported by the MDBs (and possibly in consultation with other development partners as identified commonly during the mission), will prepare a detailed work program and funding proposal for carrying out phase 1 activities for the Strategic Program on Climate Resilience. This would follow the general structure provided in paragraph 22 of the attached “Guidelines for Joint Missions to Design PPCR Pilot Programs (Phase 1).”

Mission Composition

12. Led by the RGC, the mission is suggested to comprise the following specialists representing the MDBs (separate detailed TOR to be prepared):

- *Climate Risk Management Specialist*: assess how climate risk management and climate-related disaster risk reduction are currently handled by the relevant institutions; identify opportunities to mainstream risk reduction in national development and sector policies, plans and regulatory frameworks; assess mechanisms for integrating climate risk management and disaster risk reduction in fiscal and budgetary frameworks; assessment of the adequacy (coverage, spatial resolution and quality) of available scientific data and related information on climate risks, vulnerabilities and adaptation and the capacity of the mandated agencies to generate the required data; identification and assessment of

appropriate ways to transfer relevant hazard, risk and vulnerability information from the relevant agencies to end users, including effective application.; (WB)⁴

- *Climate Change Adaptation Specialist and co-Team Leader*: assess current mechanisms and practices for mainstreaming adaptation concerns in development planning and operations at local, provincial and national levels; assess the outcomes of past and present adaptation activities; assess the extent to which key social economic and institutional constraints to adopting climate resilience measures have been assessed; examine best practices and lessons to enhance community-based adaptation and to involve the private sector including insurance at various levels; analyze the links and synergies among conventions on climate change, biodiversity and desertification with respect to adaptation in Cambodian context; (ADB)
- *Agriculture Specialist*: assess current climate risks to agriculture and related sector investments including relevant infrastructure as well as on-going and/or planned projects and programs, and the potential for increasing climate resilience in the sector; (WB)
- *Water Sector Specialist*: assess current climate risks to water and related sector investments including infrastructure as well as on-going and/or planned projects and programs, and the potential for increasing climate resilience in the sector; (ADB);
- *Infrastructure/Energy specialist*: assess climate risks to energy and transport infrastructure and the provision of services including on-going and/or planned projects and programs; (ADB)
- *Natural Resource Management Specialist*: assess current climate risks to ecosystems and related investments, including on-going and/or planned projects and programs, and potential for increasing climate resilience; (WB)
- *Social Sector Specialist*: assess the social dimensions of climate risks that might be relevant for the Strategic Program on Climate Resilience; (ADB)
- *Private Sector Specialist*: assess climate risk related issues of the private sector (IFC)
- *Institutions Specialist*: working closely with all of the technical specialists to assess the present mandates and capacity of relevant institutions to engage in climate risk management activities and to implement specific activities under the program; and identify opportunities for capacity building that could be supported through the program; (UNDP)
- *ADB and World Bank co TTLs*: Assist the RGC in coordination of the mission, lead the dialogue with government, national stakeholders and development partners, assist RGC in preparing the aide memoire/mission report, and draft work program and funding proposal. (These tasks would be undertaken by the Adaptation Specialist and NRM Specialist respectively.

Mission Outcomes

13. The following would be the main outcomes of the mission:

- a) Aide Memoire/Mission report (common product of the government and MDBs), including an Annex presenting an outline of the phase 1 activities (Annotated outline of the draft proposal to develop the Strategic Program for Climate Resilience); stocktaking of relevant ongoing activities and initiatives, incl. upcoming reforms of relevant policies

⁴ Organization responsible for providing the specialist.

and strategies, ongoing and planned programs and large investments funded by governments and development partners that are highly climate sensitive and activities addressing climate resilience.

- b) Draft Work Program and Funding Proposal to develop the Strategic Program to be prepared by the government for submission to the PPCR-SC (to be completed after the mission)

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