

July 11, 2011

## Comments from Germany on Cambodia's Strategic Programme for Climate Resilience

Dear Patricia and Andrea,

Pls find attached Germany's comments for the CAMBODIA SPCR.

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### Summary

We would like to congratulate the Royal Government of Cambodia for presenting a very elaborate SPCR document. Its selection of sectors (water resources, agriculture, and infrastructure) and themes appears highly sensible. We especially appreciate that business-focused adaptation and value chain perspectives (for instance post-harvest infrastructure) are being explicitly being addressed, and that concepts like crop insurance are being considered. This sets the Cambodian SPCR apart from a number of other SPCR's to date. The SPCR presents an extensive analysis of climate change and its likely future impacts, based to a large extent on the findings portrayed in the county's draft *Second National Communication*. Much thought has been given to identifying key areas of intervention, as reflected in the four components, and to outlining expected results and related success indicators. The SPCR draws a picture of planned interventions, which certainly have the potential to improve climate resilience and contribute to capacity building on different levels.

However, some substantial concerns remain, particularly related to governing and steering the PPCR implementation; PPCR investments extending ongoing MDB engagement rather than complementing it; incorporating climate change mainstreaming in the decentralisation and deconcentration process; addressing gender issues beyond a merely technical level; and incorporating learning and knowledge management into the components of the SPCR.

In summary, we would like to see a number of adjustments and changes of design being made in the SPCR document itself and/or during the upcoming stages of project preparatory work, as recommended below (see **bold** highlights), and those adjustments and changes being monitored closely.

### General Comments

Regarding institutional **arrangements for steering** the implementation of the PPCR, it would seem to us that the SPCR does not provide sufficient clarity and lacks some important elements. Steering of the

individual projects within the *Investment Components I to III* will largely fall under the responsibility of those ministries and institutions, which are already mandated with steering those ongoing ADB funded programmes and projects into which the SPCR funded projects will be embedded. Steering of and in *Component IV* will involve the *National Climate Change Committee* (NCCC), and thus contain an important cross-institutional element, with further details yet to be defined. However, arrangements for steering of the *overall* SPCR implementation appear to be insufficient. A *PPCR Coordination and Technical Backstopping Unit* will be established at the *Ministry of Environment* (MoE). Given the overall position of the MoE as a somewhat junior member among the group of Cambodian government ministries, and the capacity limitations it is reportedly facing, this unit will in all likelihood not wield sufficient authority and will not have sufficient outreach into the numerous other ministries and institutions involved to govern a programme as large and complex as the PPCR. It will also not be able to ensure learning and sharing of lessons at country level *across* all four components. Therefore, while being fully aware of the challenges of inter-institutional coordination in Cambodia, **we nonetheless recommend that alternative steering mechanisms are considered and sought to be established, which will be able to oversee the implementation of the *entire* PPCR including *all* of its four components. The NCCC or a yet to be established subsidiary group under the NCCC could perhaps assume this role.**

The SPCR finds that “*one of the initiatives with somewhat similar objectives as that of PPCR is the Cambodia Climate Change Alliance (CCCA) funded by the European Union, UNDP and SIDA and DANIDA*”, and announces that close coordination will be ensured through sharing of work plans and other measures. We consider this attempt at coordination very necessary and very much welcome it, in particular since a number of key climate change actors in Cambodia, interviewed during an earlier GIZ fact finding mission, have expressed that they expect the coordination between CCCA and the PPCR/SPCR to be challenging, and there is likely to be significant overlap and duplication in their respective work. **We therefore recommend that, as a minimum, coordination between the PPCR and the CCCA be organised as outlined in the SPCR, and that such coordination and its results be monitored throughout the duration of PPCR implementation as part of the periodic PPCR progress review missions.**

The SPCR document contains a few **analytical shortcomings**. It states for instance that large parts of the Mekong River flood plain could be severely affected by sea level rise. While this is a major concern in Vietnam, it is highly unlikely to be a concern in Cambodia’s *Mekong River flood plain* any time soon, as the Cambodian part of the flood plain is at an elevation clearly above the height of sea level rise expected for the coming century. This does *not* apply to Cambodia’s *coastal zone*, which is indeed immediately threatened by sea level rise. The SPCR document also makes no reference to the large hydropower dams currently being planned on the Mekong River, in the upper riparian countries (especially Lao PDR), but also in Cambodia itself. These dams, if built, would have a far larger and more immediate impact on the Cambodian flood plain and its hydrology than global climate change, and developing adaptation strategies thus needs to take different hydropower development scenarios into account. **We therefore recommend that the above points be taken up and additional analytical work be conducted during the upcoming preparatory work.**

We were initially delighted to find *ecosystem-based adaptation* listed among the PPCR’s key themes. However, upon closer inspection, this turned out to be merely a heading for greening roads by

*“plant[ing] climate change resilient trees along road embankments of all project roads with selected grass and biomaterials”*. This is certainly an interesting adaptation strategy, but has nothing to do with ecosystem-based adaptation. **We therefore recommend either revisiting the concept, devising genuine ecosystem-based adaptation strategies and measures, and including them in the SPCR document (clearly our preferred option), or dropping the use of the term ecosystem-based adaptation from the SPCR document altogether.** The same holds true, however to a lesser degree, for use of the term *business-focused adaptation*. While some promising technical and insurance-related activities aimed at helping agricultural businesses adapt to climate change have already been outlined under *Project 2 of Component II*, **we would very much appreciate the business focus being sharpened further, e.g. towards more and better value chain integration aiming at leveraging resources from enterprises at higher levels of (agricultural) value chains.**

## **Comments on Individual Projects / Measures**

### **Investment Projects (Components I to III)**

The projects proposed under *Investment Components I to III*, for which funding of altogether US\$ 98 million is requested, will be implemented exclusively “as part of [ongoing] ADB funded” programmes and projects. While this approach reflects the PPCR’s objective to “*scale-up and leverage climate resilient investment, building on other ongoing initiatives*”, and could possibly be highly successful if implemented properly, it does give rise to the concern that PPCR funds might be used to conduct business as usual by merely financing an expansion of ongoing investment activities. The potential for innovation and learning would also seem somewhat limited, if all investment projects were integrated into the portfolio of just one single donor. **We therefore recommend that the yet to be drafted proposals for these investment projects be very explicit in their design as to how the Cambodian PPCR funds will complement the ADB’s ongoing activities rather than just extending their coverage, how synergies with the activities of other major donors will be ensured, and how these projects will truly pilot and demonstrate approaches for integration of climate risk and resilience into development policies and planning.**

### **Cluster Technical Assistance (Component IV)**

The cluster technical assistance in *Component IV*, aiming at mainstreaming climate resilience into development plans and investment programs at various levels while effectively engaging the private sector and the civil society, is in our view – while being by far the smallest of all four components – also the one holding the largest potential for mainstreaming climate change in ongoing governance, planning and budget allocation processes. Before this background, we are somewhat surprised that curiously little mention is being made throughout the SPCR document, and in particular in its sections dealing with *Component IV*, of the one process that has the largest potential for broad based impact especially on the poor segments of society – namely the decentralisation and deconcentration process, formalised through the *National Programme for Sub National Democratic Development 2010-2019* (NP-SNDD). The NP-SNDD itself rather prominently addresses climate change as part of its guiding principles, by calling to “*integrate appropriate consideration of environmental issues, especially climate change, into sub-national authorities’ activities at all levels*”. **We therefore recommend that the issue of mainstreaming climate change in the decentralisation and de-concentration process be addressed, that the issue be reflected in the expected key results and success indicators of**

**Component IV** outlined in the SPCR document, and that during further preparation of **Component IV** a cluster of activities (perhaps a sub-component) be developed to mainstream climate change in the decentralisation and de-concentration process.

## Comments on Cross-Cutting Issues

### Participation

We highly appreciate that during preparation of the SPCR, substantial efforts to ensure broad-based participation in assessing the impacts of climate change and in devising adaptation strategies have been made. **We strongly encourage maintaining this level of participation during subsequent steps of the project design process, and even increasing participation of the private sector and of key actors of the decentralisation process.**

### Gender

Gender issues are being addressed very prominently in the Cambodian SPCR in comparison with other SPCRs. Not only is gender being discussed in various places throughout the narrative of the proposal, an effort has also been made to reflect gender issues in the overview of expected key results and success indicators. We very much welcome this. However, the indicators presently still focus exclusively on technical and economic aspects of climate change resilience (“women adopting new techniques”, “women adopting stress tolerant ... varieties”, “percentage of women in ... economic opportunities”). They do not reflect an increased involvement of women in decision making on matters related to climate change adaptation. At the outcome level of the *PPCR Results Framework*, there is such an indicator (“number of women involved in adaptation deliberations”), however it remains unclear how this outcome will be achieved, since there are no related activities or results at the lower levels of the framework. Also, there are no gender-related indicators altogether in *Component IV*, where we would consider addressing gender aspects as equally and perhaps even more important than in the other components. **We therefore recommended that indicators focused on gender aspects in decision making be added in Components I to III, and that gender aspects be incorporated in the results framework of Component IV and clearly reflected in this component’s indicators.**

### Learning

In response to remarks by the independent reviewer Dr Appadurai about there being gaps in terms of spelling out the modalities of enabling **learning**, a separate section on knowledge management and dissemination of lessons learned and best practices has been added in the final draft of the SPCR under each of the *Investment Components I to III*. However, apart from being rather brief, these sections have very little analytical depth, and do not address the need for differentiated approaches to knowledge management depending on the issues being dealt with in the respective components. Also, the SPCR remains somewhat vague on how the *Learning Platform* under *Component IV* will interact with the activities and incorporate the lessons generated in *Components I to III*. **We therefore recommend that substantially more effort be devoted during the upcoming stages of project preparatory work to designing appropriately differentiated knowledge management approaches for the individual Components I to III, and to aligning knowledge management activities in the Components I to III with those in Component IV.** Also kindly see the paragraph above on *arrangements for steering* and their relevance for learning.

### **Synergies with German Climate Change Related Engagement in the Country / Region**

The SPCR does mention the German contribution to the Mekong River Commission's (MRC's) *Flood Management and Mitigation Programme* (FMMP), implemented by GIZ (previously GTZ), and GIZ's work on integrating flood risk reduction measures into formal local government development plans. This initiative has generated a wealth of data and tools on flood risk management, ready to be taken up and developed further by the PPCR. The German support to the MRC, and with it GIZ's focus, has recently shifted. Immediate support to the FMMP has been phased out. Instead, Germany is now supporting MRC's *Climate Change and Adaptation Initiative* through GIZ, continuing to some extent to provide advisory services related to flood management. This new orientation should make GIZ an even more interesting dialogue partner for the PPCR.

Germany is also supporting the Royal Government of Cambodia with implementing its above-mentioned *National Programme for Sub National Democratic Development 2010-2019* (NP-SNDD). This bilateral support is being provided through the *Administrative Reform and Decentralisation Programme* implemented by GIZ, which might possibly be a valuable dialogue partner in the context of mainstreaming climate change in the decentralisation and de-concentration process during further steps of SPCR design.