### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>P163876</td>
<td>Water Supply and Sanitation Improvement Project</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAST ASIA AND PACIFIC</td>
<td>11-Oct-2018</td>
<td>06-Dec-2018</td>
<td>Water</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Kingdom of Cambodia</td>
<td>Ministry of Industry and Handicraft, Ministry of Public Works and Transport</td>
</tr>
</tbody>
</table>

#### Proposed Development Objective(s)

The Project Development Objective (PDO) is to increase access to piped water supply and improved sanitation services and strengthen the operational performance of service providers in selected towns and/or communes.

#### Components

- Component 1: Provincial water supply
- Component 2: Provincial sanitation improvement
- Component 3: Contingent Emergency Response

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>56.00</td>
</tr>
<tr>
<td>Total Financing</td>
<td>56.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
<td>53.50</td>
</tr>
<tr>
<td>Financing Gap</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### DETAILS

World Bank Group Financing
B. Introduction and Context

Country Context
Cambodia reached a lower middle-income status in 2015 following two decades of sustained growth averaging 7.6% per year, however future sustained growth is expected to be constrained by a host of economic, human capital, and public administration challenges. Recent pro-poor growth is reflected in the official estimates of poverty rate falling from 47.8% in 2007 to 13.5% in 2014. However, most of those escaping poverty remain just above the poverty line\textsuperscript{1}. Inequity in access to basic services (including water and sanitation) between the poor and the non-poor remains pronounced. Shielding the near-poor population from shocks and providing them with improved basic services is an important priority for sustained poverty reduction.

Cambodia’s level of urbanization of 21% of its 15.8 million people (2016) is low\textsuperscript{2} and far below other countries with similar GDP per capita, suggesting that rapid urbanization may be expected in coming years. Urban growth is projected at 2.5% annually in the next 35 years\textsuperscript{3}, compared to current overall population growth of about 1.6%\textsuperscript{4}. The bulk of current urbanization is occurring in Phnom Penh and other main provincial towns. However, smaller towns such as district centers (many currently characterized as rural) are also expected to grow significantly to reach population densities requiring higher levels of infrastructure and basic service. There is significant risk that negative externalities due to rapid but unplanned urbanization could hamper growth.

\textsuperscript{1} The World Bank (2017), Cambodia Poverty Reduction, Draft Cambodia Poverty Update report.
\textsuperscript{2} Partly stemming from forced relocation of people to rural areas during a previous regime.
\textsuperscript{3} The World Bank (2017), Urban Development in Phnom Penh, Cambodia.
Sectoral and Institutional Context

The Sustainable Development Goals (SDGs) on clean water and sanitation present a huge challenge to Cambodia in terms of accelerating access, reducing disparity and increasing quality of service. Access to improved water supply and sanitation in Cambodia were 76% and 42% respectively in 2015, low compared to regional peers. Cambodia has achieved its Millennium Development Goals (MDGs) for water supply and made progress towards the sanitation target\(^5\). However, disparities between the poorest and richest are evident. In urban areas, access rates for improved water supply were 78% for the poorest and 99% for the richest, while figures for improved sanitation were 36% and 100% respectively\(^6\). Compared to the MDGs, the SDGs includes the additional need to progressively address inequalities, achieving universal access by 2030 and achieving higher level than basic services i.e., safely managed sanitation and water supply\(^7\). Only 24% of the population has access to safely managed water supply in 2015\(^8\). The provision of safe piped water into household premises and the effective management of wastewater (particularly in urban areas) will contribute significantly towards achieving the SDGs. However, low piped water coverage and a lack wastewater infrastructure and adequate associated management systems present a huge challenge to the timely achievement of the SDG.

Only 21% of people have piped water supply\(^9\) which is concentrated in larger towns. Phnom Penh is well covered with piped water supply, while Siem Reap City and a handful of provincial and district towns have limited coverage ratios of 13% – 55%. These predominantly donor financed water supply systems are operated by autonomous water authorities in Phnom Penh and Siem Reap, and public waterworks departments in the rest. The lack of public funding has spurred a significant growth of domestic private sector financed, constructed and operated small scale piped water supply in many smaller settlements. There are currently more than 300 such schemes of which 233 are licensed by the Government\(^10\). There are gap areas that appear suitable for piped water supply services (either as extension from adjacent schemes or as new schemes) but currently have no public funding nor private interests to provide these services. These gap areas are geographically spread across the country. Hitherto there hasn’t been a systematic government effort to identify and prioritize these areas for infrastructure development. The lack of a sector-wide investment and financing roadmap exacerbates the problem.

Only 41% of people receive some form of sanitation service and 11% of households are connected to a sewerage network\(^11\). Even where wastewater is collected, only a small portion is treated. Currently,

---

\(^5\) Per the WHO/UNICEF Joint Monitoring Programme (JMP)
\(^6\) WHO/UNICEF JMP, 2015
\(^7\) Safely managed water service is defined as improved drinking water source which is located on premises, available when needed, and free from fecal and chemical contamination. Safely managed sanitation service is defined as improved sanitation facility which is not shared with other households and where excreta are safely disposed in-situ or transported and treated off-site.
\(^8\) WHO/UNICEF JMP, 2017. Note that the estimate for safely managed sanitation is not available.
\(^9\) While 30% and 20% source water from generally lower quality tube wells and surface water respectively.
\(^10\) As of 2017
\(^11\) WHO/UNICEF JMP, updated July 2017
only Siem Reap City and Sihanoukville have wastewater treatment facilities. Due to the lack of financial resources (including low revenue collection) and capacity constraints, the facilities and networks have inadequate operation and maintenance (O&M) and have fallen into disrepair in some areas\textsuperscript{12}. In non-sewered areas (including rural areas), there is usually heavy reliance on on-site sanitation facilities (e.g. septic tanks, lined and non-lined pits, and overhanging latrines). Improper fecal sludge management leads to wastewater being discharged into the sub-soil or to surrounding water bodies potentially creating a public health hazard. In Siem Reap City, only 16% of the contained fecal sludge are safely emptied and transported to the treatment plant.

\textbf{Cambodia’s water and sanitation institutions are ill equipped to face emerging challenges posed by climate change.} There is limited financial resources, institutional capacity and readiness to respond to climate impacts. Water sources are potentially impacted by drought and flood in terms of quantity and quality. Recurrent floods in some areas such as in Siem Reap City have overwhelmed drainage and wastewater infrastructure causing physical damage and pollution from the overflow of the combined drainage and wastewater system\textsuperscript{13}, and led to storm water overload in the wastewater treatment plant. Yet, the systematic inclusion of climate risk assessments is not yet a common practice for feasibility studies, engineering design and operational procedures to adapt to, and reduce the risk from, climate related impacts.

\textbf{A National Policy on Water Supply and Sanitation was enacted in 2003 but has not been successfully implemented in full, partly due to institutional fragmentation challenges.} Instead, key water supply elements from this policy, and other policies, strategies, and regulations developed since then, are included into the Cambodia National Strategic Plan (NSDP) 2014-18. These elements form the basis for the Government’s reform agenda for water supply, which focuses on (i) improving legal and regulatory framework that is conducive for private investment in the water sector, (ii) decentralizing service delivery to subnational level, (iii) progressively corporatizing all public waterworks into state-owned enterprises through improving operational performance and transferring autonomy, (iv) increasing sector financing, including encouraging private sector financing and investment, and (v) promoting equitable access. This agenda is reinforced by a tariff regulation policy which sets out the requirement for cost recovery in piped water supply operations. Meanwhile, an urban sanitation strategy for the entire country does not yet exist. There is ongoing effort in preparing regulation and legal framework for urban wastewater and sewer including defining clear roles and responsibilities of relevant institutions in the management of wastewater from national to subnational level\textsuperscript{14}. However, the coordination between urban water supply and urban sanitation, including coordination at the inter-ministerial level and between service providers, remains weak. The institutions responsible for urban water supply and for urban sanitation have recently been set up in late 2016 in the Ministry of Industry

\textsuperscript{12} In Siem Reap City, a main trunk sewer damaged in 2014 remains unrepaired, severely limiting wastewater reaching the treatment plant.

\textsuperscript{13} A study by IRC/WaterAid focusing on urban areas looked at exposure pathway of fecal contamination in Siem Reap city and found that floodwater is one of the main pathways for fecal exposure, with children having the highest doses of exposure.

\textsuperscript{14} This is focused on wastewater and sewerage systems, while city-wide sanitation approaches i.e., the concept of improving sanitation on a citywide basis, rather than looking at individual communities or technologies / projects is some way off.
and Handicraft (MIH) and the Ministry of Public Works and Transport (MPWT) respectively, indicating government’s increased attention and commitment in addressing urban water supply and sanitation issues. Considering the country’s fast-growing development in recent years, the urban water supply and sanitation sub-sectors need coherent strategies to be accompanied by investment plan that set directions for the future of the sector.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective (PDO) is to increase access to piped water supply and improved sanitation services and strengthen the operational performance of service providers in selected towns or areas, and to provide immediate and effective response in case of an eligible crisis or emergency.

Key Results

The specific PDO level indicators are proposed to be:

(a) People provided with access to improved water sources though piped household water connections (male/female, poor\(^\text{15}\)/non-poor);

(b) People provided with access to improved sanitation services through connection to sewer network under the Project (male/female, poor/non-poor);

(c) Water supply service providers achieving operational cost recovery;

(d) Level of operational costs of Siem Reap Sewerage and Wastewater Treatment Plant Unit to be covered by revenue collected from customers.

D. Project Description

The proposed project has two major components, (i) to support provincial water supply in selected towns and communes, (ii) to support provincial sanitation improvement in Siem Reap City and other areas. A third additional Contingent Emergency Response component has been provisioned for the Bank to provide emergency support in the event of a natural disaster, emergency and/or catastrophic event. Each of the major component is in turn subdivided into an infrastructure investment subcomponent and an associated institutional strengthening, policy and project implementation subcomponent.

Component 1: Provincial water supply

This component is focused on supporting the expansion of water supply services to selected urban areas. It will support public provincial water service providers in selected main provincial towns to augment and expand water distribution networks to serve more customers (including developing additional water production facilities as needed) and health and school facilities within the service area.

\(^{15}\) Poor households are identified through the government system for identification of poor households. The system defines poor households in two categories ID-poor 1 and ID-poor 2 using community-driven proxy means testing. See also http://www.idpoor.gov.kh/en/home
This component will also support the development of small-scale piped water supply systems in selected communes outside the main provincial towns that are not yet served but where the population has reached the size and density suitable for piped water supply. Private sector financing and operations of small-scale piped water supply systems will be explored and leveraged where technically, economically and financially feasible\textsuperscript{16}. The project will help develop a mechanism to screen proposed small-scale piped water supply systems in communes, consider options for private and/or public financing, operations and management, and then to develop designs as appropriate. It is envisaged that a rolling program of design and investment support for the water supply schemes would be carried out. Investment will commence with a first priority scheme, which has been designed during project preparation, to test out and pave the way for a smooth rolling investment program. A technical assistance to identify, assess and design further selected town and commune schemes will commence in parallel. Given the water security and sustainability issues linked to climate change risks, optimal design, demand management for water conservation, development of alternating water sources, and source protection will be pursued.

Technical assistance will be provided to augment and support the project management and supervision capacity of the implementing agency. Additionally, this component will also include capacity and performance improvement technical assistance to the selected public water service providers to (i) manage and operate the systems to ensure technical and financial sustainability, (ii) to integrate climate change risk considerations in the O&M of the system, (iii) to apply social accountability mechanisms, especially by mobilizing women participation in this mechanism, to strengthen service quality and responsiveness to citizens, and (iv) to improve gender sensitivity of the human resource policies at water service providers so as to create better enabling environment for attracting female staff. A technical assistance to support the MIH develop urban water supply strategy, including policies on cost recovery (e.g., tariff and subsidies) and investment plan will also be provided.

The component will finance activities that contribute to the World Bank's approach to reducing maternal and child undernutrition in Cambodia. The component will provide technical assistance to study, recommend and develop a water connection program (including output-based as appropriate) focused on helping poor households and nutrition sensitive households (i.e. households with young children under age two) to access clean water supply services. Further, a program of nutrition-sensitive communications to promote consumption of piped water, safe water handling/treatment, and other hygiene behaviors\textsuperscript{17} will be rolled out using existing local delivery platforms. The teams of the Water Global Practice and the Health, Nutrition and Population Global Practice are jointly designing a complementary approach to WASH and nutrition social and behavior change communication. Implementation of the communications campaign financed under the Project will be coordinated with

\textsuperscript{16} It is expected that the most profitable areas would have been taken by private sector, where further extension and development are supported by other development partners such as AFD through access-to-finance program and DFAT through commercial viability gap grants. The remaining areas that the project will look into are expected to be more challenging areas where the Project fund could help the de-risk the investment in attracting private sector, where possible.

\textsuperscript{17} The communication package is being developed under a Bank-executed TA in close collaboration between water and health team.
other nutrition-related communication programs in order to align the messages and delivery platforms, to the extent possible, in targeted towns and communes. Where the project areas converge with the proposed Cambodia Nutrition Project (currently under preparation\(^{18}\)), joint activities will be conducted by leveraging common delivery platform\(^ {19}\).

**Component 2: Provincial sanitation improvement**

This component is focused on supporting the development and construction of secondary and tertiary sewers to the existing main sewer transmission lines in Siem Reap City, to enable household and businesses to connect directly to the city sewerage system. A large wastewater treatment plant and primary transmission mains were built in 2008 without secondary and tertiary sewers. Currently, only major premises close to the main sewers are connected, and there is instead reliance on interceptors to collect sewage from main drains. Limited collection and damage\(^{20}\) to the transmission lines resulted in little sewage reaching the treatment plant. Where climate change induced flooding in the city occurs, there is high fecal contamination of flood water creating health risks across many neighborhoods in the city. The construction of secondary and tertiary sewers coupled with a household connections program will improve the collection and transmission of household excreta to the wastewater collection and treatment facilities, reducing the exposure pathway of fecal contamination to the population in the event of floods. This component will also support rehabilitation and the augmentation of the existing sewerage system to improve its operational efficiency, including rehabilitation and upgrading of sewage pumping stations and fecal sludge receiving and management systems.

This component will support sanitation promotion and/or investments in communes where water supply is supported under Component 1 to address wastewater generated as a result of increased availability of water supply. Given the small sizes of these water supply scheme, the focus will likely be the promotion of household sanitation and good drainage around households. Where feasible and necessary, small scale decentralized wastewater treatment systems will be developed.

Technical assistance will be provided to augment and support the project management and supervision capacity of the implementing agency. Additionally, this component will also include capacity and performance improvement technical assistance to the Siem Reap Wastewater Treatment Plant unit (i) to ensure adequate O&M of the sewer lines and sanitation facilities (including integrating climate change risks in the O&M), management of fecal sludge services including collection and treatment, (ii) to ensure wastewater effluent meets discharge standards, and (iii) to improve gender sensitivity of the human resource policies at the unit so as to create better enabling environment for attracting female staff. Necessary equipment for operations and maintenance will be provided. Support to develop and

\(^{18}\) Currently the project is designed to have nationwide components complemented by intensive activities in Mondulkiri, Ratanakiri, Preah Vihear, Steung Treng, Kratie, and Kampong Chhnang.

\(^{19}\) An assessment of local implementer of WASH and nutrition is being undertaken jointly by the water and health teams. This, together with the WASH-Nutrition communication package under preparation through the ASA, will inform the design of the delivery of the nutrition-sensitive behavior change communication (BCC) for water supply and sanitation.

\(^{20}\) An ongoing ADB project is rehabilitating the damaged sections of transmission line.
apply social accountability mechanisms to strengthen service quality and responsiveness to citizens will be provided. A sewer connection program including communications (to be informed by gender analysis), social mobilization and other aspects\(^\text{21}\) will be carried out to encourage households and businesses to connect to the sewerage system. A technical assistance to support the MPWT develop urban sanitation strategy, including policies on cost recovery (e.g., tariff and subsidies) and investment plan will also be provisioned.

**Component 3: Contingent Emergency Response**

The objective of this contingent emergency response component, with a provisional zero allocation, is to enable immediate response through the reallocation of project proceeds in accordance with the IDA Immediate Response Mechanism in order to provide an immediate response to an eligible crisis or emergency, as needed\(^\text{22}\). An Emergency Response Manual (ERM) will be developed for activities under this component, detailing streamlined financial management, procurement, social and environmental safeguards, and any other necessary implementation arrangements. In the event that the component is triggered, the results framework would be revised to include appropriate indicators related to the emergency response activities.

**E. Implementation**

Institutional and Implementation Arrangements

The project will be prepared and implemented by the appropriate existing sector institutions in alignment with sector institutional mandates, and in accordance to the government’s Standard Operating Procedure (SOP). The MIH will be the implementing agency for Component 1. The MIH will establish the Component Management Unit 1 (CMU-1) implementation team, led by its General Department of Potable Water Supply (GDPWS). The staff of participating water supply service providers will be included in the CMU-1. The MPWT will be the implementing agency for Component 2. MPWT will establish the Component Management Unit 2 (CMU-2) implementation team, led by the General Directorate of Public Works (GDPW) through its Sewerage Management Construction Department (SMCD). The staff of the Siem Reap Provincial Department of Public Works and Transport (DPWT) and the Siem Reap Sewerage and Wastewater Treatment Plant unit (SWTPU) will be included in the CMU-2. Both GDPWS and SMCD are relatively new and most staff from these departments do not have experience in Bank-financed projects, requiring the provision of specialist consultants to support the project implementation and management. In addition, subnational authorities (i.e. districts and communes), social accountability service agencies and volunteer facilitators would be engaged to implement the social accountability elements of the project. The districts and communes will also be supported through technical assistance (financed under Component 1) to deliver nutrition-
sensitive communication campaign for safe water handling and other hygiene practices

**A Project Coordination Unit (PCU) will be established to coordinate the MIH and the MPWT implementation activities.** The PCU will be responsible for coordinating project implementation, consolidating all project reports, and facilitating the project audits. The PCU will be led by a Project Coordinator nominated by the MPWT, and the PCU members are from the MIH and the MPWT. The project will include support to the operations of the PCU.

**A Steering Committee (SC), chaired by the MPWT, will be established to provide overall project guidance and coordination.** The SC will include high level representation from the MPWT, the MIH, the Ministry of Economy and Finance (MEF), the Ministry of Health (MOH), the National Committee for Sub-National Democratic Development Secretariat (NCDD-S) and the MRD. The representatives from Gender Mainstreaming Action Group of the MPWT and the MIH will also be members of the SC. The SC will hold semi-annual meetings, facilitate inter-ministerial coordination and the removal of any obstacles to the timely and effective implementation of the Project, review and oversee overall project progress, facilitate policy discussion, and provide strategic guidance. The SC will be supported by PCU in undertaking its tasks including arranging for the meetings.

**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The project will finance water supply and sanitation improvement in selected communes, provincial or municipal towns. For water supply infrastructure and household connections within the current service areas, project support will involve (i) the construction of additional distribution networks for the provincial waterworks, (ii) the extension of main water pipes along main roads to other adjacent areas, (iii) the addition of water pipes to both sides of main roads, and (iv) the construction of water distribution substations. In selected communes outside provincial towns that currently do not have piped water supply, the project will support the construction of new small-scale water supply systems, water treatment plants and distribution networks. The works will involve digging the ground along roads to lay distribution pipes and may require land acquisition for the building of water treatment plants. For sanitation improvement, the project will support the construction of sewer networks and connections in Siem Reap city, which is known for its historical and cultural heritage. Some of these works will take place in the densely populated center of the city.

**G. Environmental and Social Safeguards Specialists on the Team**

Bunlong Leng, Environmental Specialist
Martin Henry Lenihan, Social Specialist
### SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The project will generate positive environmental benefits and induce a healthier sanitation service to the urban areas. The Environmental Assessment policy is triggered due to potentially localized impacts induced by the project investments in (i) Component 1: supporting the expansion of water supply services to urban areas, and (ii) Component 2: supporting the development and construction of branch sewers to the existing main sewer transmission lines in Siem Reap, to enable household and businesses to connect directly to the city sewerage system. The project is proposed as category &quot;B&quot; as the localized impacts can be managed through standardized mitigation measures and monitoring actions as part of the environmental and social management framework, which includes environmental and social impact assessment and/or management plan (ESIA or ESMP) for each pre-determined sub-project/investment. In terms of social impacts (especially gender based violence and sexual assault and abuse) related to labor influx, the risk is expected to be moderate. This is because the works will require relatively mid-sized work crews (30-50 workers per contract), the vast majority of whom will be recruited locally. Also, the works will take place within provincial cities where there is adequate recreation and accommodation facilities. This is also the case for the indigenous communities which are located on the outskirts of a provincial city, and as such are within commuting distance of urban based accommodation. Workers contracted to do the works will be required to sign, and receive training in, a code of conduct which will include penalties and sanctions for behaviors (include gender based violence and sexual harassment) that negatively impact the communities where the works are taking place.</td>
</tr>
</tbody>
</table>
The other social risk is that households will not connect to the tertiary sewer lines in Siem Reap City due to the disruption that it might cause, and an unwillingness to pay. This will be mitigated by the design of a robust communication and citizen engagement strategy and site-specific grievance redress mechanism which was included in the terms of reference for the design of investments in Siem Reap City. The design of this strategy will be informed by the results of a household socio-economic assessment.

| Performance Standards for Private Sector Activities OP/BP 4.03 | No | The World Bank Performance Standards OP/BP 4.03 is not triggered as the project will not engage any credit line or private sector funding. |
| Natural Habitats OP/BP 4.04 | Yes | Component 1 on expanding water supply services may finance water supply schemes that may source water from natural streams or water body in selected towns. The water sources are not expected to be any known critical natural habitat or wetland area. The ESMF would include appropriate screening criteria, etc. for natural habitats, and where necessary an assessment and proposals for mitigation to meet policy requirements will be developed in a project specific ESIA/ESMP. |
| Forests OP/BP 4.36 | No | No project activities will be involved in forests. |
| Pest Management OP 4.09 | No | No project activities will be involved with the usage or purchase of pesticides. |
| Physical Cultural Resources OP/BP 4.11 | Yes | Under component 2, the sewage and drainage investment proposed is located in Siem Reap town known for historical and cultural heritage. A chance-finds procedure is established as part of the project-ESMF. |
| Indigenous Peoples OP/BP 4.10 | Yes | The indigenous peoples policy is triggered due to the presence of indigenous (Pnong) communities who are likely to benefit from the extension of water supply investments under Phase 2 in Mondulkiri. The detailed designs for these works will be prepared during implementation. The Mondulkiri waterworks has already conducted preliminary social assessment (in the form of household interviews) to ascertain the broad social acceptability and interest for extending the town's water supply network to these communities. This assessment informed the preparation of an indigenous peoples planning framework (IPPF) which was recently disclosed and |
discussed during a stakeholder consultation meeting in Sen Monorom. The detailed designs for the works which will directly benefit indigenous communities will not be finalized until implementation. Therefore, an IPPF was considered the appropriate planning instrument. The IPPF specifies the requirements for the preparation of site specific indigenous peoples plans, based on social assessments and a process of free, prior and informed consultation.

The project triggers both the involuntary resettlement (OP/BP 4.12) and indigenous peoples policy (OP/BP4.10) of the World Bank. The involuntary resettlement policy is triggered as both the sanitation and water supply works planned may involve the disruption of commercial or other activities occupying the right of way, or the acquisition of private land for investments such as water treatment plants. It is possible that the works planned in Siem Reap City will result in the temporary disruption of commercial activities in the night market area. Similarly, the provincial water supply works to be financed, may require land acquisition for the construction of water treatment plants. However, detailed designs for these works will not be ready until implementation. The works for which preliminary/detailed designs have been prepared as a basis for appraisal in Mondulkiri Phase 1 involving water supply network extension, and Siem Reap City involving installation of secondary and tertiary sewer network in West Trunk Sewer Zone and rehabilitation of sewage pumping stations, will not result in land acquisition or resettlement impacts. This was confirmed through environmental and social impact screening exercises conducted in both Sen Monorom and Siem Reap City. Therefore, a resettlement policy framework has been prepared and disclosed, which specifies the requirements for the preparation of site specific resettlement plans once detailed designs for other works have been finalized.

The project may finance water supply schemes that will source water from streams or water bodies that connects to an existing canal, reservoir or water source connected to small dam under OP 4.37 definition. The ESMF requires a sub-project
investment for water supply scheme depending on reservoir/small dam, the task team will involve a dam safety specialist to help the Borrower in preparing terms of references and reservoir and dam safety assessment.

<table>
<thead>
<tr>
<th>Projects on International Waterways OP/BP 7.50</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project will finance water supply scheme in Stoung town which will potentially extract water from a tributary connecting to Tonle Sap Lake. In addition, the effluent from wastewater treatment plant in Siem Reap City discharges to a canal which is ultimately discharged to Tonle Sap Lake. The triggering of this policy is also a precaution for other subproject locations that will be identified during project implementation. At the request of the government of Cambodia, all the riparian countries will be notified by the Bank on the government's behalf.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projects in Disputed Areas OP/BP 7.60</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>No project activities will be involved in disputed areas.</td>
<td></td>
</tr>
</tbody>
</table>

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

   The environmental and social impacts are moderate given that its potentially adverse impacts are small-scale and reversible. The potentially adverse environmental and social impacts are under Components 1 and 2. The project does not foresee any potential large scale, significant and/or irreversible impacts. The project’s anticipated environmental impacts are expected to be local, temporary and reversible with standardized mitigation measures such as an ESMP, as part of the project-Environmental and Social Management Framework (ESMF). In terms of social impacts, the project may involve minor land acquisition, and limited labor influx.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Due to the small scale nature of the activities to be financed no indirect, or long term environmental or social impacts due to anticipated future activities in the project area are anticipated.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. Project alternatives are not required because the small-scale and reversible environmental and social impacts of the project and its sub-projects can be managed through the implementation of the project-ESMF and RPF.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The Borrower has prepared a Resettlement Policy Framework (RPF), an Indigenous Peoples Planning Framework (IPPF)
based on a preliminary social assessment, as well as an Environmental and Social Management Framework (ESMF).

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key non-government stakeholders include local and commune authorities, business associations, and community organizations representing the interests of people (including the Pnong) that will benefit from the project. Disclosure and stakeholder consultations on environmental and social safeguards instruments took place at the provincial level in Mondulkiri and Siem Reap.

B. Disclosure Requirements

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26-Sep-2018</td>
<td>04-Oct-2018</td>
</tr>
</tbody>
</table>

"In country" Disclosure
Cambodia
01-Oct-2018

Comments

<table>
<thead>
<tr>
<th>Resettlement Action Plan/Framework/Policy Process</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26-Sep-2018</td>
<td>04-Oct-2018</td>
</tr>
</tbody>
</table>

"In country" Disclosure
Cambodia
01-Oct-2018

Comments

<table>
<thead>
<tr>
<th>Indigenous Peoples Development Plan/Framework</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26-Sep-2018</td>
<td>04-Oct-2018</td>
</tr>
</tbody>
</table>

"In country" Disclosure
Cambodia
01-Oct-2018

Comments

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
Yes
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?
No
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?
NA

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?
Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?
Yes

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?
NA
OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes

OP/BP 4.37 - Safety of Dams

Have dam safety plans been prepared?
NA

Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?
NA

Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?
NA

OP 7.50 - Projects on International Waterways

Have the other riparians been notified of the project?
Yes
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?
NA

Has the RVP approved such an exception?
NA

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?
Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
Yes
All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
Yes

Have costs related to safeguard policy measures been included in the project cost?
Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
Yes

CONTACT POINT

World Bank

Fook Chuan Eng
Lead Water Supply and Sanitation Specialist

Phyum Kov
Water Supply and Sanitation Specialist

Borrower/Client/Recipient

Kingdom of Cambodia

Implementing Agencies

Ministry of Industry and Handicraft
Sonn Chan Ek
Secretary of State
eksonnchan@hotmail.com

Yea Bunna
Director General of Potable Water Supply
bunnayea@gmail.com

Ministry of Public Works and Transport
Sopheak Phibal Chao  
Director of Sewerage Management and Construction  
phibal@gmail.com

Rathpiseth Heng  
Director General of Public Works  
rathpiseth_heng@yahoo.com

FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: http://www.worldbank.org/projects

APPROVAL

| Task Team Leader(s): | Fook Chuan Eng | Phyrum Kov |

Approved By

| Safeguards Advisor: |
| Practice Manager/Manager: |
| Country Director: | Inguna Dobraja | 11-Oct-2018 |

Note to Task Teams: End of system generated content, document is editable from here. Please delete this note when finalizing the document.