

ASIAN DEVELOPMENT BANK

JFPR: CAM 36136

GRANT ASSISTANCE

(Financed by the Japan Fund for Poverty Reduction)

TO THE

KINGDOM OF CAMBODIA

FOR

**INCOME FOR THE POOR THROUGH COMMUNITY-BASED
ENVIRONMENTAL IMPROVEMENTS IN PHNOM PENH**

**In conjunction with the
Phnom Penh Water Supply and Drainage Project, Loan 1468-CAM**

September 2002

CURRENCY EQUIVALENTS

(as of 10 September 2002)

Currency Unit	–	Riel (KR)
KR 1.00	=	\$0.00026
\$1.00	=	KR3,815

ABBREVIATIONS

ADB	–	Asian Development Bank
DPWT	–	Department of Public Works and Transport
EA	–	executing agency
IA	–	implementing agency
JFPR	–	Japan Fund for Poverty Reduction
MPP	–	Municipality of Phnom Penh
NGO	–	nongovernment organization
NIP	–	neighborhood improvement program
PCU	–	project coordination unit
PIM	–	project implementation manual
PMU	–	project management unit
PPWSA	–	Phnom Penh Water Supply Authority
PPWSDP	–	Phnom Penh Water Supply and Drainage Project
PPWM	–	Phnom Penh Waste Management

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Government of Cambodia (the Government) through the Municipality of Phnom Penh (MPP) requested the Asian Development Bank (ADB) in December 2001 to prepare, through the Japan Fund for Poverty Reduction (JFPR), a grant to assist the Government to prepare an innovative environmental improvement program for the poor in low-income areas in Phnom Penh, generate income for waste pickers, and educate street children. The Project will be closely aligned with the counterpart *Phnom Penh Water Supply and Drainage Project* (Loan 1468-CAM). A fact-finding mission (the Mission) visited Cambodia from 2–12 April 2002 to design a detailed proposal within the JFPR framework through discussions with stakeholders in the field, reach broad agreement with the Government, and prepare a draft JFPR paper for approval by the Government of Japan. The Mission met with officials of the Government, major external funding agencies, nongovernment organizations (NGOs), community leaders, and stakeholders. The Mission also made field visits to the project and municipal dumping sites, held meetings with communities and NGOs, and organized a stakeholders' consultative workshop on 10 April 2002 attended by representatives from the Government and civil society.

II. BACKGROUND AND RATIONALE

2. **The Urban Poverty Situation.** Cambodia is 121st out of 162 countries in terms of poverty. Although the urban population of Cambodia is approximately 16% of the total population, the growth rate has averaged 4% between 1990 and 2000. Rapid urbanization, along with antiquated water supply and drainage systems, poor sanitation, and inadequate pollution control has contributed to poor health and hygiene conditions. In Phnom Penh alone, more than 15% (roughly 176,000 people)¹ of over 1 million residents live in precarious conditions. Although 90% of the population in Phnom Penh have access to piped water supply, a large percentage of the poor have yet to be served. In many *sangkats*,² raw sewage is discharged into waterways. Solid waste is problematic because of the lack of awareness for environmental hygiene and the limited funding of municipal governments to collect, transport, and dispose of solid waste. During the rainy season, neighborhoods are flooded with stormwater and domestic sewage, which increases the incidence of water-related disease such as diarrhea and cholera. Resources spent on environmental improvements have been inadequate to ensure proper hygiene, resulting in adverse living conditions for urban communities, but in particular for the vulnerable urban poor. The poverty situation can be improved through participatory approaches whereby poor communities, with some external assistance, work together to create income-generating activities and promote environmental improvement. Such participatory approaches for community development are relatively new in Cambodia.

3. **Environmental Sanitation and Hygiene.** Waste pickers and street children belong to the poorest urban socioeconomic groups.³ Having no other employment options, they work to collect garbage. The work of waste pickers is dirty, dangerous, and underpaid. They are not equipped with adequate protection to handle waste, e.g. boots, gloves, and masks. On the other hand, poor neighborhoods constantly face problems of environmental hygiene, particularly clogged waterways, litter, and contaminated water, which expose these neighborhoods to health risks. Several national NGOs have successfully assisted poor communities to organize; develop

¹ United Nations Development Programme. 2001. *UNDP Human Development Report*. New York.

² A *sangkat* is a local authority between the village and district levels.

³ ADB. 2001. *Participatory Poverty Assessment: Cambodia*. Manila.

community infrastructure; manage solid waste through proper collecting, segregating, and recycling; and devise microcredit schemes.⁴

4. **Approach.** In November 1996, ADB approved the Phnom Penh Water Supply and Drainage Project (PPWSDP), with the goal of improving the quality of life in the PPWSDP area through improved water supply and sanitation conditions. The PPWSDP had two main components: water supply (part A); and drainage (part B). Part B consisted of a neighborhood improvement program (NIP) and institutional capacity building. Norwegian development aid financed in parallel the capacity building component of the NIP. Although the PPWSDP does address poverty issues, it does not specifically target poverty reduction through income generation in low-income neighborhoods. The JFPR Project will complement part B of the PPWSDP by developing innovative approaches that address the sustainability of self-help and community-based efforts in improving environmental sanitation and in generating income. In addition, the JFPR Project will generate experience in designing urban development projects with greater poverty focus.⁵

III. THE JFPR PROJECT

A. Objectives

5. The development goal of the JFPR Project is to reduce urban poverty in Phnom Penh. The purpose is to establish sustainable community-based mechanisms that improve the living and working conditions and environmental hygiene in low-income neighborhoods. The objectives are to (i) establish, on a sustainable basis, self-help and participatory processes for improving community-based infrastructure and sanitation programs and services, (ii) change public attitudes to sanitation and increase public appreciation for good environmental hygiene, (iii) generate income and employment opportunities through community-based solid waste management and waste processing, and (iv) enable policy dialogue between the Government, NGOs, and communities on the importance of collaboration and partnerships in development. These objectives will be achieved through physical works, awareness programs, solid waste management and training, and dialogue between Government and civil society. The project framework is in Appendix 1.

B. Scope

6. **Components.** The four major project components will be (i) community-based infrastructure⁶ improvements in selected low-income areas that are not served by the Phnom Penh Water Supply Authority (PPWSA), (ii) public awareness campaigns on environmental and sanitation hygiene, (iii) comprehensive community-based solid waste management practices, (iv) policy advocacy and dissemination of the lessons learned for integration and replication purposes. In addition, support will be provided for overall project management, implementation, and monitoring and for poverty impact assessment. It is important that there is a community-driven need for the infrastructure and that the facilities will be self-managed by the community.

⁴ Among NGOs, Community Sanitation and Recycling Organization (CSARO) has pioneered work in environmental sanitation and Association of Cambodian Local Economic Development Agencies (ACLEDA) has developed micro-credit schemes.

⁵ The Government has completed a proposal for a Phnom Penh Urban Environment Project which will be presented to ADB.

⁶ Community infrastructure includes water supply, drainage, sewerage, community access (paths and alleys, bridges, and roads) and solid waste disposal.

Project inputs include financing of a revolving fund for income generation activities, civil works, supplies, equipment, training, and project management.

7. Infrastructure Provision, Upgrading, and Maintenance (Component 1). A major portion of this component consists of civil works in four sangkats: Boeng Salang, Boeung Tumpung, Psar Daeum Thkov, and Toul Svey Prey II. The JFPR Project will finance a portion of the costs for upgrading, rehabilitating, and maintaining community infrastructure. The remaining costs will be from local contributions, whether in cash, labor, or materials. Completed facilities will be maintained by the community. Community infrastructure improvement will consist of (i) installation and/or improvement of wastewater facilities, such as the rehabilitation of drains/sewers, waterways, and canal linings; (ii) improvement of water supply distribution and extension of tertiary pipes and provision of house/neighborhood connections; (iii) improvement of paths/alleys and service roads in the municipal dumpsite; and (iv) community organizing, training, and capacity-building to enable residents to implement infrastructure improvements in their areas. The project scope and inputs needed for infrastructure improvements will be discussed in further detail with communities involved during implementation.

8. Public Awareness Campaign on Environmental Hygiene (Component 2). This component will include sanitation information, education, and communication to enhance formal education in schools and informal education for street children and waste pickers. The purpose of this effort is to promote changes in public attitudes to environmental sanitation, such as the need to separate waste at its source and the importance of good environmental hygiene. The JFPR Project will provide funding for awareness campaigns for the public and training programs for waste pickers and street children. Waste pickers incur cuts, bruises, and other injuries and therefore need medical kits, gloves, and assistance to ensure a better and safer working environment.

9. Community-Based Solid Waste Management and Income Generation (Component 3). This is to (i) establish comprehensive community-based solid waste management practices through an innovative method to generate income from garbage collection, segregation, recycling, composting, and transportation; and (ii) improve the occupational health and work conditions along the way to and at dumpsites. Currently, the NIP component of PPWSDP is implementing solid waste management in two sangkats with 1,230 households. For the JFPR Project, MPP proposes to expand the area to cover four additional sangkats with 25,028 households.⁷ In addition, a new method of waste collection using communal storage containers, mobile pick-up points, and various recycling and composting methods will be implemented. Other elements of this component include establishing a waste picker multipurpose center, improving the municipal dumpsite, developing recycling/small-scale industries using a market-based approach, developing a microcredit facility,⁸ building capacity of the Phnom Penh Waste Management (PPWM), and training beneficiaries on loans and savings schemes. Training will include the best ways to ensure health and safety in improving work conditions.

10. Policy Advocacy and Dissemination of Experience (Component 4). The JFPR Project will also facilitate policy dialogue between the Government, NGOs and communities for future scaling up and replication of the pilot project. The Government has realized the potential role of civil society, and, through policy dialogue with NGOs, community leaders, and external

⁷ Excluding Stung Mean Cheay (municipal dumpsite).

⁸ The facility will prepare group loans for group activities such as the purchase of pushcarts, packaging equipment, and tools, and individual loans for investments in individual income-generating activities such as the purchase of protective gear and inputs to produce recycled products.

agencies, the Government has become more open to positive changes in its public policies. This component will provide opportunities for policy dialogue between stakeholders in the development process. Experience will be disseminated through (i) workshops and workshop proceedings, (ii) the internet, and (iii) publications and articles.

11. **Project Management and Impact Assessment.** In addition, the JFPR Project will support (i) a local research institute to conduct an independent poverty impact assessment, and (ii) project management including project administration and contingencies.

12. **Project Area.** The JFPR Project site is located in the Chamcarmon, Mean Cheay, and Toul Kork districts, a very densely congested area in the south of Phnom Penh. The site will consist of the initial NIP site, which covers six sangkats (11,230 households) and four additional sangkats: Boeng Salang, Boeung Tumpung, Psar Daeum Thkov, and Toul Svey Prey II (13,798 households). The JFPR Project will also establish a waste pickers' multipurpose center at a strategic location near the municipal dumpsite.

13. **Targeting the Poor.** About 31,216 households in 10 sangkats of Phnom Penh and at the dumpsite (30% of which are very poor) will benefit from improved infrastructure and a more hygienic environment. Of these, an estimated 4,000 poor households will generate income from the solid waste management component. They will increase their income by an estimated 30%. Income increase will come from participating in the various stages of solid waste management, from collection, transportation, composting, sorting, and recycling through skills improvement. In addition, about 12,000 households will benefit indirectly through better garbage collection and environmental sanitation. The JFPR Project will also benefit waste pickers operating at the municipal dumpsite.

C. Cost and Financing

14. The total cost of the Project is approximately \$1.260 million equivalent, of which \$1.000 million is proposed for grant financing under JFPR. The Government, together with members of civil society and the communities, will provide contributions estimated at \$260,000 equivalent to cover labor, office space and materials, counterpart staff, land for the waste pickers multipurpose center at the municipal dumpsite, and other costs. Communities are expected to shoulder a portion of the costs for infrastructure improvements. The JFPR budget matrix is in Appendix 2.

D. Implementation Arrangements

1. Executing and Implementing Agencies

15. MPP is the executing agency, which is responsible for overseeing the JFPR Project, reporting overall project implementation to the Government, and liaising with other ministries and departments, the project management unit of the counterpart PPWSDP, ADB, and other government agencies. The JFPR Project will also have different layers of implementing agencies (IAs). The implementation arrangements chart is in Appendix 3. The main implementing agencies are as follows:

a. The Phnom Penh Waste Management

16. PPWM, under the Department of Public Works and Transport (DPWT), will be responsible for providing secondary waste collection from the service area, proper

transportation, and disposal of the waste to the municipal dumpsite at Stung Mean Chey. PPWM is also responsible for the municipal dumpsite improvement under the community-based solid waste management component.

b. Nongovernment Organizations

17. NGOs will implement the various project components/subcomponents and be responsible for community organizing, facilitating community-based infrastructure projects, conducting awareness programs, developing community-based solid waste management programs, establishing a waste pickers' multipurpose center, training waste pickers, managing a revolving fund facility, and marketing products obtained from recycling and composting activities.

c. Households and Beneficiaries

18. Households and beneficiaries in the project area are essential elements in the implementation scheme. Any plans and impacts resulting from the JFPR Project should be explained thoroughly to the residents. An important criterion for JFPR assistance is the commitment and willingness of the community to contribute counterpart resources (labor, materials, and/or money) to achieve the desired goal.

d. Steering Committee

19. A Steering Committee, to be chaired by a Vice Governor of MPP, will be set up and will convene as necessary but will meet at least once every 6 months to discuss Project progress and to ensure that the Project objectives are met. The committee will consist of a representative each from MPP, DPWT, PPWM, Ministry of Economy and Finance, Department of Environment, NGO representatives, ADB, and other agencies as needed.

e. Project Coordination Unit

20. The JFPR Project will establish an independent Project Coordination Unit (PCU) attached to MPP, which will coordinate closely with the project management unit of the counterpart PPWSDP. The PCU will be headed by a project director and assisted by a full-time project implementation officer and an accountant. The PCU will be responsible for day-to-day coordination and monitoring of JFPR project activities; facilitating policy workshops; coordinating with MPP, NGOs, and communities; and preparing periodic progress and financial reports and a poverty impact assessment by an independent, local research institute.

2. Link to the Phnom Penh Water Supply and Drainage Project

21. The JFPR Project is conceptually and geographically linked to the ongoing PPWSDP, which ends in June 2003. Part B of the PPWSDP includes the institutional capacity building and NIP components. However, these components are limited to addressing social poverty interventions. The JFPR Project will focus on direct economic poverty reduction and thus will emphasize income generation for low-income neighborhoods and informal urban residents. This adds significant value to the ongoing counterpart loan and lessons learned will provide impetus for future urban environmental improvement projects.

22. **Community and NGO Involvement.** Community input must be solicited early during the planning stage for communities to have a sense of project ownership. The JFPR Project

emphasizes community control over planning decisions, leadership, and ability of communities to deal with local government agencies and the private sector. Therefore, plans will be explained and communicated clearly, together with anticipated project impacts. Commitment from communities is an essential criterion for location selection. Communities will work closely with NGOs that have experience and expertise in providing skills, building community capacity, and liaison with government agencies; NGOs will greatly contribute to the achievement of project objectives. NGOs will be actively involved in community infrastructure design and implementation under technical assistance from DPWT by conducting awareness campaigns, assisting in solid waste management, assisting in developing microcredit schemes, revolving funds, and facilitating small business entrepreneurial efforts. Eligibility and selection criteria for NGOs are given in Appendix 4.

23. **Sustainability.** The JFPR Project is based on principles of community-based self-help. Through innovative solid waste management practices, it will facilitate the recycling of waste and establishment of micro-industries using recycled waste, which will generate additional income for waste pickers and waste processors. The JFPR Project will be labor intensive, require little investment for equipment, and rely heavily on unskilled labor. The sustainability of sanitation improvement will depend on how well communities are able to generate local resources. A microcredit facility will be established and managed through specialized NGOs, and involved parties will receive assistance in setting up savings schemes. Based on lessons learned, the JFPR Project will provide impetus for MPP to replicate the JFPR project at a larger scale or in other parts of the city. Collection fees for transporting solid waste are expected to decrease. This will allow reallocation of municipal financial resources to other purposes.

24. **Funds and Disbursements.** The Ministry of Economy and Finance will open two JFPR imprest accounts on behalf of MPP at a commercial bank in Phnom Penh satisfactory to ADB. Based on 6-monthly activity plans and budgets (prepared by the PCU, endorsed by MPP, and approved by ADB), ADB will channel the funds in advance payments every 3 months to the two bank accounts. All payments will be made from the imprest account held by the PCU in accordance with the approved work plans and contracts. The statement of expenditures procedure will be applied for all payments under \$10,000 to ensure speedy project implementation. Detailed implementation arrangements will be made with the Government in a separate letter of agreement. The fund flow mechanism for the JFPR Project is in Appendix 5.

25. **Procurement and Consulting Services.** Any procurement under the Project will be undertaken according to *ADB's Guidelines for Procurement*. Contract packages costing up to \$10,000 will be awarded by the PCU, while those above \$10,000 will need prior clearance from ADB. Consultants will be recruited in accordance with *ADB's Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB on the engagement of domestic consultants. Project consultants to assist in the implementation will be recruited by MPP. During project implementation, the terms of reference for and recruitment of consultants will be subject to ADB approval; they will, ideally, be finalized in the project implementation manual (PIM) preparation. NGOs will be selected and engaged by the PCU and endorsed by MPP, in accordance with arrangements satisfactory to ADB.

26. **Performance Monitoring.** In consultation with participant beneficiaries, the PCU will prepare an evaluation and monitoring framework and ensure effective monitoring and evaluation. A PIM, to be prepared before project commencement, will detail all administrative arrangements for the JFPR Project. Among the implementing agencies are PPWM, NGOs, and households, and other beneficiaries. The PIM will include a detailed description of the procedures and indicators for project monitoring and evaluation of results. In addition, 6 months

before completion of the JFPR Project, an independent poverty impact assessment will be finalized by a local research institute.

27. **Reporting and Audit.** The PCU, through MPP, will submit to ADB semi-annual progress and financial progress reports that contain the achievement of agreed-upon project indicators, a description of problems encountered, and recommendations for improvement. The financial report will indicate the appropriate use of funds based on the budget. An audited financial report, based on generally accepted accounting principles, will be submitted no later than 6 months after the end of each fiscal year.

28. **Implementation Schedule.** The project duration will be 3 years, from September 2002 until August 2005.

E. Impact Assessment

29. **Sustainable Poverty Reduction Impact.** The JFPR Project will focus on direct economic poverty reduction, i.e., income generation for low-income neighborhoods and informal urban residents through innovative solid waste management practices. The JFPR Project will directly benefit approximately 4,000 households, which will increase their skill levels and generate added income from solid waste collection, transportation, composting, sorting, and recycling. Improved production and marketing skills using recycled materials such as compost, handicraft, plastic products, and coconut products will greatly improve the incomes of the residents. Communities will benefit from improved infrastructure, such as reduction of pollution in waterways, increased access to water supply, improved environmental hygiene, increased environmental awareness, and greater self-help capacity. Selected communities will also benefit from an initial revolving fund facility, which will provide micro-credit lending to those in need. Through good financial management and improvement of entrepreneurial skills, community residents will be able to accumulate capital and increase their well-being. Good management of micro-credit funds will also encourage saving practices by the community. A summary poverty impact assessment is in Appendix 6.

30. **Participatory Development Issues.** Community capacity is an essential element in ensuring sustainability of the achieved results. Since many communities have limited organizational and leadership capacity to sustain results achieved, there will be a capacity building element in components 1 and 3. Through community organization, capacity building, and skills development, residents in low-income neighborhoods will undertake community infrastructure improvements thereby ensuring a sense of ownership of the improvement. Since local residents will be involved at various stages of the project cycle, beginning from defining community needs, planning, implementation, and maintenance, residents must be invited to solicit their inputs and concerns at the early stages of the JFPR Project. Project impacts will be explained and communicated clearly to communities affected. Participation will involve communities and NGOs that have established connections with the communities. The assumption is that participation can only be based on trust. Through community organization, capacity building, and skills development, residents in low-income neighborhoods will undertake community infrastructure improvements, thereby ensuring a sense of ownership of the improvement.

F. Risks, Assumptions, and Assurances

31. The JFPR Project could have several risks. First, changes brought by infrastructure improvements may negatively impact several community residents, particularly those occupying

land needed for underground piping, pathways, drainage, waste recycling centers, or community facilities. The project design should minimize the number of negatively impacted people. Residents adversely affected by the works must be given due compensation in accordance with the ADB resettlement guidelines. Therefore, meetings between implementing agencies and communities must be conducted and community input solicited during the early stages of project design. When the project area is defined, actual selection of communities targeted for assistance must be transparent and justified.

32. Community input must be solicited early on during the planning stage for communities to have a sense of project ownership. Success of the Project requires a commitment from the community to help fulfill the objectives. Local residents will be involved at various stages of the project cycle, beginning from defining community needs, planning, implementation, and maintenance. In the early stages of the Project, residents must be invited to provide their suggestions and concerns. Impacts of the Project will be explained and communicated clearly to communities affected.

33. The Government has assured ADB of its commitment to Project success and to provide the committed contributions and policy support. Communities at the Project site have also expressed their willingness to participate and contribute resources to fulfill the goals of the JFPR Project. Further efforts should be made to enable good working relationships between the Government, NGOs, and communities.

IV. THE PRESIDENT'S DECISION

34. The President, acting under the authority delegated by the Board, has approved ADB administering grant assistance to the Government of Cambodia in an amount not exceeding the equivalent of \$1,000,000 to be financed from the Japan Fund for Poverty Reduction, for the purpose of Income for the Poor through Community-based Environmental Improvements in Phnom Penh, and hereby reports such action to the Board.

PROJECT FRAMEWORK

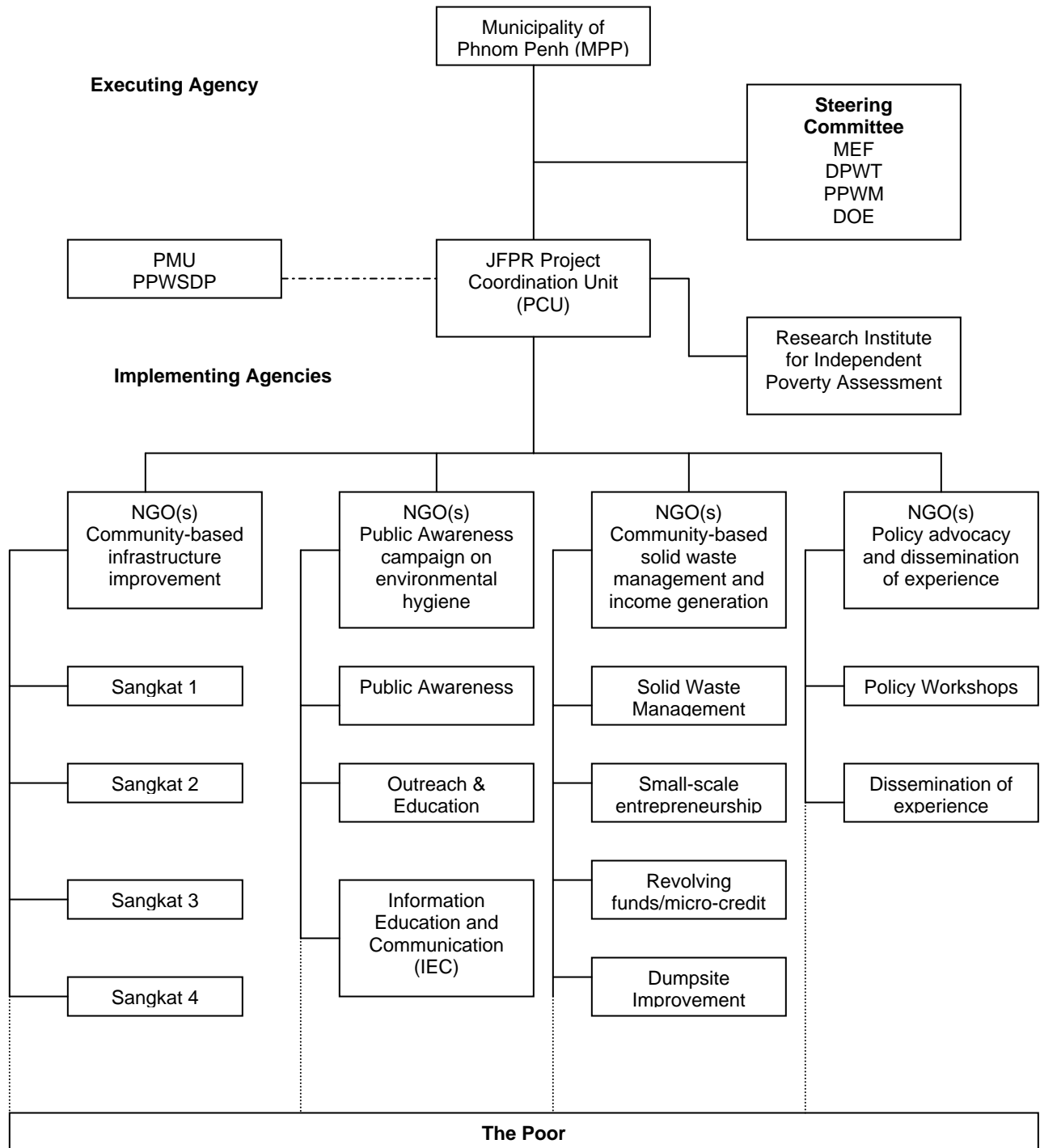
Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <ul style="list-style-type: none"> • Reduce poverty in Phnom Penh; sustain community-based mechanisms that improve living and working conditions of poor neighborhoods 	<ul style="list-style-type: none"> • Improved community infrastructure • Increased income for the poor, waste pickers, and street children • Pro-poor policies in place 	<ul style="list-style-type: none"> • Visual inspection, beneficiary opinions • Statistical reports, independent poverty impact assessment • Project evaluations/reports 	<ul style="list-style-type: none"> • Improved living conditions may attract new residents in the area • Government and communities are fully committed to the Project goal
<p>Purpose</p> <ul style="list-style-type: none"> • Pilot self-help and participatory processes for improving community-based infrastructure • Increase public awareness/appreciation regarding the importance of environmental hygiene • Generate income for poor households, waste pickers, and street children • Facilitate policy dialogue between government and civil society 	<ul style="list-style-type: none"> • Environmental improvements for 10 <i>sangkats</i> (local authority between the village and district levels) • Changes in public attitudes toward environmental sanitation hygiene • Increased income of approximately 4,000 households • Continued government-civil society cooperation and dialogue 	<ul style="list-style-type: none"> • Poverty impact assessment; Japan Fund for Poverty Reduction progress reports • Project progress reports; beneficiaries/stakeholders' opinions • Project evaluations/reports; statistical data • Project evaluations/reports 	<ul style="list-style-type: none"> • Selection of beneficiaries and areas are based on transparent criteria • Government is committed to improve living/working conditions of the poor
<p>Outputs</p> <ul style="list-style-type: none"> • Improved community infrastructure and capacity to build and maintain infrastructure • Increased environmental awareness of general public • Increased income for the poor, waste pickers, and street children 	<ul style="list-style-type: none"> • Installation of boardwalks, drainage lines, water supply connections, road pavings, etc. • Environmental cleanliness and hygiene, waste segregation practices • Income increases for those engaged in solid waste activities 	<ul style="list-style-type: none"> • Project evaluations/reports, beneficiary opinions, visual inspection • Project reports/evaluations, beneficiary opinions, • Project reports/evaluations and beneficiary opinions 	<ul style="list-style-type: none"> • Community contributes to improve infrastructure • Appropriate campaign and media utilization

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<ul style="list-style-type: none"> • Establishment of micro-credit lending activities • Improved workplace conditions at the municipal dumpsite • Continued government-civil society cooperation and dialogue 	<ul style="list-style-type: none"> • Well-functioning and accessible mechanism for revolving funds • Visual improvements, less number of injuries; establishment of multi-purpose waste pickers development center • Government policies (and implementation of policies) that are pro-poor 	<ul style="list-style-type: none"> • Annual report • Project evaluation/ reports; visual inspection • Feedback responses from civil society 	
<p>Activities</p> <ul style="list-style-type: none"> • Decide on, design, and implement community infrastructure improvements through community-based mechanisms • Design and implement public awareness campaigns • Transfer techniques for collecting, transporting, recycling and marketing solid waste and products from solid waste • Open micro-credit lending facility • Facilitate dialogue for enabling pro-poor policies • Dissemination of lessons learned 	<ul style="list-style-type: none"> • Detailed design document and cost estimates; project implementation manual • Campaign materials for dissemination and training • Technical guidelines, manuals, brochures • Legal documents • Government-society dialogues • Dissemination documents 	<ul style="list-style-type: none"> • Progress reports, review missions • Progress reports, review missions • Progress reports, review missions • Progress reports, review missions • Progress reports, review missions 	<ul style="list-style-type: none"> • Appropriate selection of intended beneficiaries
<p>Inputs</p> <ul style="list-style-type: none"> • Consultant/nongovernment organizations/services • Revolving fund • Civil works • Equipment and supplies • Project management • Community/residents' counterpart funds 	<ul style="list-style-type: none"> • Recruitment • Disbursement/utilization • Visual inspection • Disbursement • Disbursement • Resources pooled 	<ul style="list-style-type: none"> • Progress reports, review missions 	<ul style="list-style-type: none"> • Adequate timing and amount of inputs

JFPR BUDGET MATRIX
(\$ '000)

Inputs	Project Components		Component 2 Public Awareness	Component 3 Community-Based Solid Waste Mgt. and Work Conditions Improvements			Component 4 Policy Advocacy and Dissemination of Experience	Component 5 Overall Mgt. and Administrative Support Monitoring and Poverty Impact Assessment	Total (Input)
	Component 1 Community-Based Infrastructure	Component 1 Community-Based Infrastructure		3-A: Revolving Fund for Small Enterprise	3-B: Solid Waste Mgt	3-C: Dumpsite Improve- ments			
1. Revolving Credit Facilities				100.0					100.0
2. Civil Works	150.0				25.0	75.0			250.0
3. Equipment, machinery, materials, and other capital costs	10.0				34.0	10.0		25.0	79.0
4. Supplies		0.0	15.0		20.0	9.0			44.0
5. Training, workshops, seminars: Community mobilization, organizing, and capacity building		9.0	20.0	10.0		6.0	5.0		50.0
6. Consulting Services		0.0					10.0	95.0	105.0
7. Project Management		0.0						75.0	75.0
8. Other Inputs: NGOs inputs and services	75.0		45.0	25.0	45.0	36.0			226.0
9. Contingencies	18.0		8.0		21.0		5.0	19.0	71.0
Subtotal JFPR-Financed	262.0		88.0		416.0		20.0	214.0	1,000.0
Government Contribution	50.0		5.0		20.0	20.0		25.0	120.0
Civil Society and Other Contribution			10.0				10.0		20.0
Contribution of the poor	100.0		5.0		10.0	5.0			120.0
Total Project Costs	412.0		108.0		471.0		30.0	239.0	1,260.0

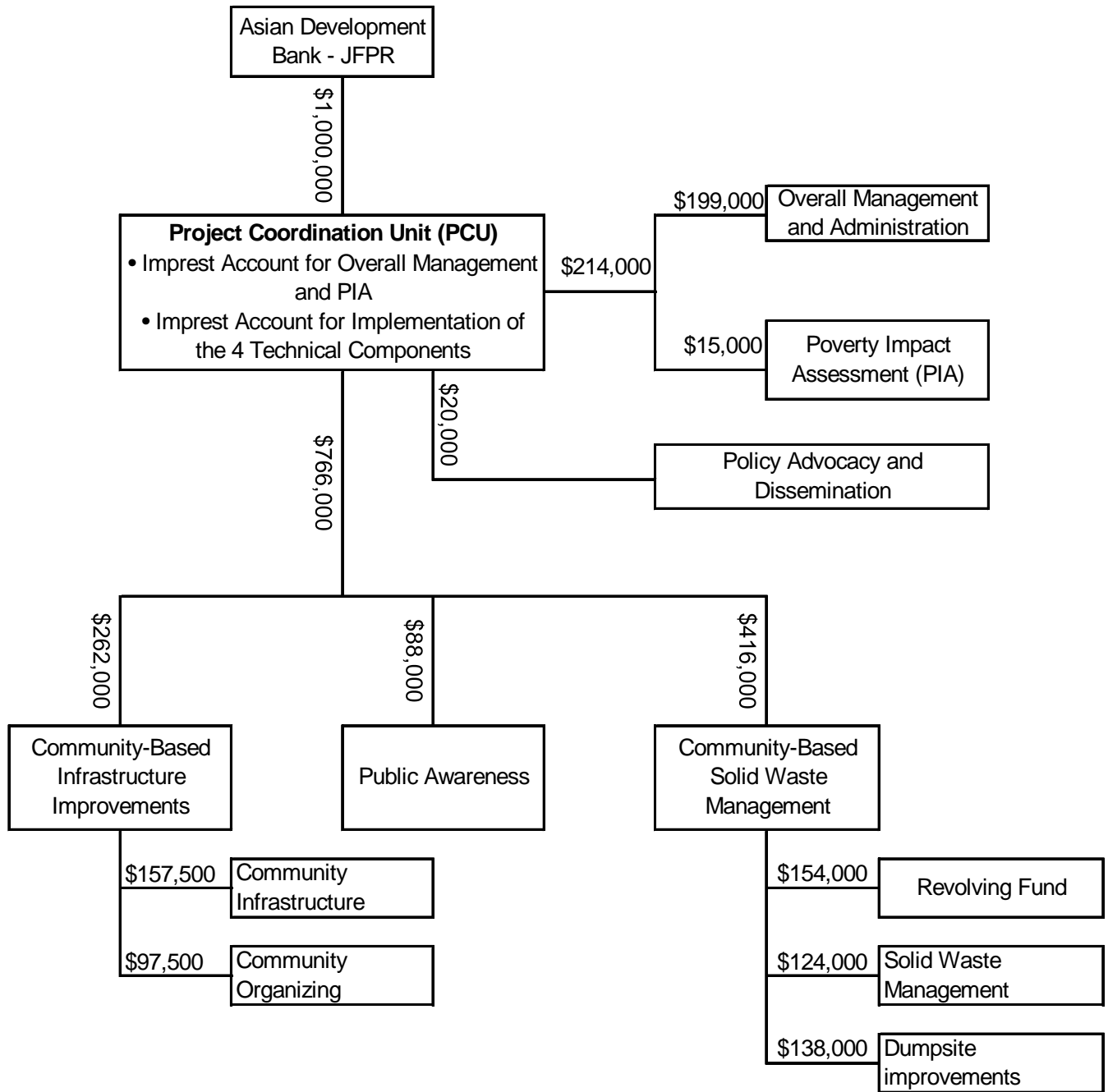
IMPLEMENTATION ARRANGEMENTS



SELECTION OF NONGOVERNMENT ORGANIZATIONS

1. Currently, Cambodia has over 500 nongovernmental organizations (NGOs). The dramatic increase of NGOs during the past decade reflects the increase of progressive activities of rebuilding the nation following nearly three decades of political turmoil. The Government of Cambodia has realized that it alone cannot shoulder the burdens of development. Although government-NGO relationships are not always smooth, the official government policy is that of partnership and mutual relationships. Beginning in the early 1990s, local and international NGOs have begun to foster relationships and collaboration with local communities. Currently the Municipality of Phnom Penh has favorable views of NGOs.
2. All Phnom Penh-based NGOs are eligible to participate in the JFPR Project as an implementing agency. An NGO (or group of NGOs) will be selected to manage and/or implement specific project component(s) or subcomponent(s) based on the following criteria: (i) a proven track record in community organizing, urban development, solid waste management, small-scale infrastructure development, community health and sanitation awareness, microfinance, small business/enterprise development, policy advocacy, poverty impact assessment, high-level workshop specialization, and/or project management; (ii) a demonstrated ability to work with local government units (municipal, sangkat, and village levels) in the identified project sites; (iii) ability to work with community groups and commitment to undertake proper implementation of participatory appraisal, monitoring, and assessment; and (iv) availability of resources to implement the required tasks and ensure the sustainability of the JFPR Project.
3. In addition, the NGO should have the tools necessary for an appropriate reporting system and the capacity to submit timely reports, the ability to develop and implement an information dissemination program on the lessons learned from the project, and suitable office(s), equipment, and other facilities for project implementation. The NGO should also be registered with pertinent government agencies and have adequate representation of female staff.
4. NGOs listed and represented in the consultative meeting and workshop held during the fact-finding mission of the project will be invited to participate in the implementation of the JFPR Project.
5. The implementing agency for the poverty impact assessment should have (i) adequate and proven capacity in implementing similar projects; (ii) a proven track record of non-partisanship and political independence; (iii) practical experience in conducting high-level workshops/conferences involving the academe, government, NGOs, and civil society; and (iv) at least a suboffice and necessary equipment in Phnom Penh.

FUND FLOWS



POVERTY IMPACT ASSESSMENT

1. The Tuol Kouk and Chamcarmon districts where the project sites are, have approximately 19,400–43,700 people per square kilometer. Phnom Penh has a literacy rate of 82.7%, but this is significantly lower in the poor neighborhoods in the two districts. Slightly less than half of Phnom Penh residents have piped water connections, and most of the poor buy water from vendors, which costs 6–10 times the price of piped water. The project area has 31,216 households, of which 8,978 households are considered poor. See Table A6 for population and poverty figures.

Table A6: Poverty Statistics in the 11 Sangkats

Sangkat Name	District	Number of Households ^a	Number of Poor Households	% Poor
Boeung Keng Kang 2	Chamcarmon	1,806	479	26.5
Boeung Keng Kang 3	Chamcarmon	3,306	1,038	31.4
Toul Svey Prey	Chamcarmon	1,895	489	25.8
Psar Olympic	Chamcarmon	1,429	417	29.2
Toul Tumpung	Chamcarmon	1,425	352	24.7
Boeung Trabek	Chamcarmon	1,369	312	22.8
Psar Daeum Thkov	Chamcarmon	2,403	603	25.1
Toul Svey Prey 2	Chamcarmon	1,749	425	24.3
Boeung Salang	Toul Kouk	4,464	1,183	26.5
Boeung Tumpung	Mean Chey	5,182	1,477	28.5
Stung Mean Chey ^b	Mean Chey	6,188	2,203	35.6
Total		31,216	8,978	

^a 2000 Census Data.

^b Municipal dumpsite.

Source: CSARO survey estimates.

2. Through the Japan Fund for Poverty Reduction Project, about 31,200 households will benefit indirectly through a cleaner, healthier environment and awareness of the importance of environmental hygiene. About 9,000 poor households will benefit from community-based infrastructure improvements and income generating activities through the management of solid waste.

3. Approximately 4,000 households will increase their skill levels and generate added income from solid waste collection, transportation, composting, sorting, and recycling at the project site and the municipal dumpsite. Improved production and marketing skills using recycled materials such as compost, handicraft, plastic products, and coconut products will greatly enhance the incomes of the residents. Communities will benefit from improved infrastructure, such as reduced pollution in waterways, increased access to water supply, improved environmental hygiene, increased environmental awareness and greater self-help capacity. Selected communities will also benefit from an initial revolving fund facility, which will provide microcredit to those in need. Through good financial management and improved entrepreneurship skills, community residents will be able to accumulate capital and increase their well-being. Good management of microcredit funds will also encourage saving practices by the community.