

SUMMARY OF PROJECT PERFORMANCE

A. Background

1. The Flood Damage Emergency Reconstruction Project (the current project) finances emergency restoration of key infrastructure damaged by the 2011 floods. The total estimated project cost is \$67.18 million, which is financed by (i) a loan of SDR35,347,000 (\$55 million equivalent) from Asian Development Bank (ADB), and (ii) a grant of A\$5.00 million (\$5.25 million equivalent) from the Government of Australia. The government contribution is \$6.93 million equivalent for safeguards costs, in-kind expenditures on staff and office facilities, and costs of taxes and duties. The project was approved on 27 March 2012, became effective on 14 May 2012, and will close on 30 September 2015.

2. In support of the country partnership strategy, the project impact is economic and social recovery from the 2011 floods in project provinces. The outcome of the project is the restoration of critical public and social infrastructure assets to their original standard or better. The project outputs are reconstruction of (i) 70 kilometers of flood-damaged national and provincial roads, (ii) 450 kilometers of rural roads, and (iii) 35 flood-damaged irrigation schemes.

3. The project coordination and monitoring unit established by the Ministry of Economy and Finance acts as the executing agency, and three project implementation units were established—at the Ministry of Public Works and Transport, Ministry of Rural Development, and Ministry of Water Resources and Meteorology—to implement their respective project components.

B. Performance of the Project

4. The project is assessed in the following aspects.

- (i) **Delivery of expected outputs.** Delivery of the expected outputs is satisfactory. All stage 2 works (fast-track repairs) were completed and all contracts for stage 3 works were awarded and will be completed before the current physical completion date of 31 March 2015. The project is on track to meet the intended outcome of decreasing average travel times on project roads by 10% and improving agricultural productivity in the project area by 10% from 2011 to 2015.
- (ii) **Implementation progress.** Implementation progress is satisfactory. All contracts for consulting services and civil works envisaged at project processing were awarded. As of 31 December 2013, the cumulative contract award was \$52.93 million (89% of available loan and grant proceeds, and 100% of the projection), and the cumulative disbursement was \$28.07 million (47% of available loan and grant proceeds, and 100% of the projection).
- (iii) **Compliance with safeguard policy requirements.** Compliance with safeguard policy requirements of the project is proceeding satisfactorily. All civil works are taking place within the existing right of way and no land acquisition has been identified. Grievance redress committees have been established to receive grievances regarding environmental and social safeguards issues. Monitoring and reporting on environmental plan and social safeguards implementation is carried out by the project implementation consultants, and the executing and implementing agencies have submitted the reports to ADB regularly as required in the loan agreement.
- (iv) **Management of risks.** The major risks identified during the processing are limited financial management capacity, inadequate procurement capacity, and corruption. To mitigate these risks, mitigation measures have been developed in the project

risk assessment and risk management plan and have been well managed. As such, the successful implementation of the project is not threatened by major risks.

- (v) **On-track rating.** The project was rated on track in the project performance rating for the end of 2013.

C. Conclusion

5. The project is performing well based on the criteria of (i) delivery of expected outputs, (ii) satisfactory implementation progress, (iii) satisfactory compliance with safeguard policy requirements, (iv) successful management of risks, and (v) on-track rating. The eligibility criteria for additional financing for projects that are performing well have been met.

6. The reason for additional financing is to restore key infrastructure damaged by the 2013 floods that affected 20 of Cambodia's 24 provinces. It will help to consolidate development outcomes by covering additional geographic areas and increasing project beneficiaries. The modality of additional financing enhances the impact of a well-performing project by utilizing the existing implementation arrangements to achieve results expeditiously. It supports the government's development strategy which emphasizes inclusive growth.