



Cambodia: Integrated Resource Management and Development in the Tonle Sap Region. (ADB/UNDP)

Operational Program: 2 (Biodiversity)

GEF Secretariat Review:

Financing (millions): \$0.35

Total (millions): \$2.00

1233

Summary

The goal of the project is to promote a process of sustainable development in the Tonle Sap region of Cambodia. The project will have three closely inter-related objectives: (i) to support economic development and natural resources management through the creation of an enabling policy, legislative and institutional framework, and selective capital investments; (ii) to strengthen community-based natural resources management systems for rural development; and (iii) to conserve globally significant biodiversity through protection and/or sustainable use of resources in threatened components of the ecosystem and critical habitats. The Project will help Cambodia to guide the inevitable development of the Tonle Sap region in a manner that will preserve its unique ecology and hydrology, and especially the many benefits provided by the living resources of the wetland.

Expected Project Outputs: The Project will develop an appropriate policy and legal framework at the national level to protect and manage the natural resources and agricultural systems in the Tonle Sap region, and will support the development and implementation of sustainable management practices at the community level around the perimeter of the lake for the critical resources of the wetland system. The Project will also support specific infrastructure developments, including rural roads, basic port facilities at three sites, community buildings (markets, schools, etc.), and basic sanitary facilities. Project preparation focused on issues of resource management and rural development will be accomplished under ADB's technical assistance on Protection and Management of Critical Wetlands in the Lower Mekong Basin (the TA), beginning in April 2000 and completed by mid-2001. Supplementary PDF Block B funding is being sought to specifically incorporate biodiversity conservation measures into the project design.

Project Duration (months): 12 for preparation

Basic Project Data

Project GEF ID:

<i>Staff</i>		<i>Processing Status</i>	<i>Date</i>
Program Manager	Lusigi	Processing Stage	
Implementing Agency		Concept Pipeline Discussion	2/9/00
Regional Coordinator	Nessim Ahmad, ADB	PDF A - Agency Approval	
Executing Agency	National Government	PDF B - CEO Approval	2/9/00
		Bilateral Project Review Meeting	2/9/00
		Work Program Submission and Approva	
		CEO Endorsement	
		Agency Approval	
		Project Completion	

Cost Summary

Cost Item	Years	Amount (USD'000)
<u>Preparation</u>		
- PDF A		
- PDF B		
- PDF C		
<u>Project Allocation</u>		
- Executing Agency Fees and Costs		\$0.00
- Project Management Costs		\$0.00
- Other Incremental Costs		\$0.00

Completeness of Documentation

- Focal Point..... Budget..... Logical Framework.....
 STAP Review..... Increment Cost..... Length.....
 Disclosure of Administration Cost..... Complete Cover Sheet....

1. Country Ownership

Country Eligibility

Cambodia acceded to the Convention on Biological Diversity on 9 February 1995.

Evidence of Country Ownership/Country-Drivenness

The RGC attaches highest priority to sustainable development in the Tonle Sap region and has requested the ADB to take a lead role in preparing and financing a comprehensive program of investment and technical assistance for this purpose. The RGC is very concerned about environmental degradation in the Tonle Sap, and has been actively soliciting donor support to develop and implement appropriate management systems to conserve and protect the natural resources and biodiversity. As mentioned above, the Tonle Sap is specifically discussed as a priority in the NEAP, and the RGC already has designated some of the area as Biosphere Reserve. While MOE is implementing the ADB regional TA in Cambodia, MAFF, MRD and MPWT are the likely executing agencies for the ensuing Project, all have designated counterpart staff to assist the TA team with Project preparation.

2. Program and Policy Conformity

Portfolio Balance

The project is within the priorities identified under the GEF/PSR 1999.

Program Conformity

The Project is consistent with the GEF Operational Strategy, especially Operational Program #2 on Coastal, Marine and Freshwater Ecosystems; and also with Operational Program #3 on Forest Ecosystems with respect to the more restricted area of the seasonally flooded forest.

Replicability

Activities implemented in this project which are also based on GEF experience elsewhere will be replicable.

Potential Global Environmental Benefits of Project

The Tonle Sap, including the Great Lake and the Tonle Sap River which connects it to the Mekong River, is a large wetland encompassing an area of about 16,000 km² when at full flood each year. The Tonle Sap is home to more than 400 species of fish, 200 species of birds, several hundred species of trees and other plants that flourish in an area subject to annual inundations lasting up to several months, and assorted mammals, reptiles, amphibians, and others species. It has probably the most productive freshwater fisheries in the world, with annual yields in the range of 100-150,000 tons; and provides critical habitat for many migratory waterfowl. The Tonle Sap watershed is also home to an estimated 3 million Cambodians, many of whom derive at least part of their subsistence needs or income from the wetland resources.

Sustainability

The activities will be sustainable if the community based approach is successful.

Baseline Course of Action

The baseline Project will consist of the following activities to be implemented through a participatory community-based approach:

- (i) develop and implement a national level policy, legal, and institutional framework that will provide adequate support to sustainable resource management and development needs with regard to wetland areas in general and the Tonle Sap in particular;
- (ii) provide institutional capacity building, technical training, and public awareness programs for sustainable

- natural resources management and development;
- (iii) construct basic infrastructure to foster economic development and public welfare, such as port facilities at 3 sites, rural roads, community buildings, sanitary facilities, etc;
 - (iv) rationalize fisheries management and promote equitable access for riparian communities;
 - (v) develop and implement a plan to control the spread of the noxious exotic weed *Mimosa pigra*, and to establish long term removal programs for certain critical habitats;
 - (vi) implement an environmental monitoring system focused on natural resource management; and
 - (vii) continuation of flooded forest re-establishment trials initiated under ADB's TA.

Alternative Action Supported by project

- The GEF alternative will build on the baseline elements described above, and will include the following:
- (viii) enhance the policy and legal framework to be developed under the baseline with special attention to the conservation of globally important biodiversity;
 - (ix) consolidate and expand the formal and informal protected area network;
 - (x) implement an alternative livelihood program to reduce threats to critical elements of the ecosystem;
 - (xi) enhance the baseline program for capacity building, training, and awareness with regard to biodiversity conservation;
 - (xii) enhance the baseline environmental monitoring system to include a special focus on critical components of biodiversity; and
 - (xiii) rehabilitate and restore abandoned floating rice areas and other barren lands, and reestablish core sections of flooded forest to maintain the integrity of overall ecosystem.

Conformity with GEF Public Involvement Policy

The ADB PPTA co-financing is about \$1.0 m, of which \$0.1 m or 10% is allocated for workshops and consultations. Additionally, the PDF-B budget for stakeholder workshops is \$0.016 m, or 5% of the total GEF PDF-B grant. These allocations indicate that there would be consultations organized during preparation, and it would be helpful if these consultations were described at the time of submission of the project brief. Important issues identified for consultation are mentioned in p. 9-10 of the proposal, including issues related to rural poverty and access to coastal and marine resources.

The project plans to include a separate component on alternative livelihoods (p. 9) and to link these livelihoods with natural resources management (p. 10) and participatory approaches to rural development (p.8), which forms part of the "baseline." The alternative livelihood activities will be funded by the GEF financing as noted in para. 28, p. 8. There is a component on rehabilitation of "abandoned floating rice areas" and "barren lands," and it is suggested that some form of social assessment be conducted during preparation to identify the affected populations and attendant property rights. This would be critical in light of the objective to "reestablish core sections of flooded forest" as noted in para 28(xiii), p. 8.

The population issue is serious in the area, with a 3 million population and an annual growth rate of 4% per year. The use of a community-based natural resources management systems approach (p. 2) to address population related issues is a key approach, but this may need to be supplemented with some on-site carrying capacity estimates to determine more fully what types and levels of fishing activities would be deemed "eco-friendly" (para. 32(v), p. 9) and how these could be done using a participatory and community-based approach.

Private Sector Involvement

To be determined during project formulation.

3. Appropriateness of GEF Financing

Incremental Cost

This will be appropriately determined during project formulation.

Appropriateness of Financial Modality Proposed

To be determined during PDF activity.

Financial Sustainability of the GEF-Funded Activity

Level to be determined during project formulation.

Absorptive Capability

Seems appropriate level but ADB should comment on this aspect during project preparation.

Cost Effectiveness

The threats make this project cost effective.

4. Coordination with Other Institutions

Collaboration

This project exhibits close working-level cooperation between two agencies with extensive involvement in Cambodia. ADB is currently implementing a regional TA in Cambodia that would lead to a rural development project for the Tonle Sap which is expected to be funded primarily by a loan in 2002. UNDP has played a significant role in exploring the possibilities of a GEF intervention in the Tonle Sap, and is supporting relevant conservation activities in Cambodia. UNDP will act as Implementing Agency for the Project, and this will help to ensure good coordination. The Mekong River Commission Secretariat in Phnom Penh is also assisting on the TA in a coordination role.

Complementarity with Ongoing Activities

Many small scale studies, research projects, and pilot projects, have been implemented around the Tonle Sap in the past decade. However, none has yet led to a comprehensive strategy for resource management and development backed up by investment and technical assistance. Among the more significant recent projects are: (i) Natural Resources-Based Development Strategy for the Tonle Sap Area, Cambodia, a program to develop integrated management systems for the natural resources of the Tonle Sap, funded by UNDP and completed in 1998; (ii) Participatory Natural Resources Management in the Tonle Sap Region, a pilot program to develop a community-based integrated management system for the agricultural, forestry and fisheries resources of the inundation zone, funded by FAO and completed in 1998; (iii) Management of Freshwater Capture Fisheries of Cambodia, funded by Denmark and implemented by the Mekong River Commission Secretariat (MRCS); and (iv) Inventory and Management of Cambodian Wetlands, also funded by Denmark and implemented by MRCS. Organizations such as UNESCO and the European Commission, and NGOs like Wetlands International and the International Crane Foundation have undertaken small-scale projects and studies, which provide important social and ecological background information on the Tonle Sap.

5. Responsiveness to Comments and Evaluations

Core Commitments

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Linkages

The executing agencies for the Project will include MAFF for the agricultural and fisheries components, MRD for the rural development or community infrastructure components, and MPWT for the road and port components; and MOE will also provide support for activities related to biodiversity conservation.

Consultation and Coordination

The NEAP mentions an inter-ministerial co-ordinating mechanism, the Technical Coordination Unit for the Tonle Sap (TCU), within the Ministry of the Environment (MOE). The work of this forum is complicated by the fact that MOE is not directly responsible for managing the resources of Tonle Sap, and consequently it has little power to effect change. MOE is responsible for managing national protected areas, and could have jurisdiction over parts of the Tonle Sap only if they were to be formally declared as national parks, wildlife reserves, or other protected areas. MOE recently designated the Tonle Sap as a Biosphere Reserve with three core areas where the most extensive and best quality flooded forest remains, and a buffer zone, the boundary of which coincides with the fishery domain. Inter-sectoral management of the Biosphere Reserve is intended to occur through the TCU established within MOE. However, as the fishery domain remains under the authority of DOF, the co-ordinating mechanism established by MOE is not functional.

Consistency w/previous upstream consultations, project preparation work, and processing conditions

The project is consistent with upstream consultations held with the Secretariat and other IAs.

Monitoring & evaluation: Minimum GEF Standards, ME plan, proposed indicators, lessons from PIRs and Project Lessons Study

To be developed adequately during project formulation.

Indicators

To be well developed in the full project.

Implementing Agencies' Comments

UNDP has submitted comments as per attached hard copy.

STAP Review

Not applicable at this stage.

Council members' Comments

Not applicable at this stage.

Technical Assurances

The Tonle Sap ecosystem is unique, harboring an extraordinarily wide variety of plant and animal species, many of which are adapted to and dependent upon the equally unique Tonle Sap hydrological system, and as such the Tonle Sap deserves international support for the conservation of its biodiversity. The Tonle Sap is also a key regional resource, contributing significantly to the fisheries of the Mekong River riparian nations, and to the agricultural productivity of the Mekong delta in Viet Nam. Finally, the productivity of the Tonle Sap ecosystem is the foundation of the Cambodian economy. It is important that the ADB ensure that proven measures will be applied to this system which will guarantee its ecological integrity and continued socio-economic support for the people.

Convention Secretariat

Seems an overly ambitious project. Hope it will be manageable.

As regards threat prevention and removal, some concerns are being addressed by ADB components. The rest could be addressed by the GEF funding.

Section V (proposed PDF Block B Activities) does not seem to cover paragraph 28, subparas. (xi) and (xiii).

Section VI (PDF block B Outputs) seems to give too many final products for a PDF fund. Paragraph 34, subpara. (ii) is even not supported by the proposed activities.

Paragraph 36. Question is if an investment project (ADB component) can be implemented by MOE, why does GEF funding have to be executed by a different agency?

Paragraph 41. The budget for international consultants in the ADB component accounts for only around 46%, but the same in the GEF component accounts for up to 70%.

Other Technical Comments

The threats and importance of this ecological system are well documented but it will be important to identify the GEF component more clearly and to determine the incremental costs of shared components like awareness building. Two other issues for your consideration. GEF already implementing a Block B for Mekong Basin Wetlands through UNDP. Tonle sap's existence depends on flow and influences flow in the entire 6 country basin. It would be important to know the status of the UNDP Block B to ensure complementarity. Also, the World Bank has an IW Mekong project. It would be important to have a component of this biodi project funded to ensure direct linkage to the WB IW project. The IW project is harmonizing water utilization rules among the 4 lower riparian countries so that Tonle sap will have sufficient flood flows to sustain it then release the flows to the delta in Vietnam to keep the salt wedge far enough downriver so the wetlands won't be hurt. the ADB should then include a component to directly work with the WB IW project so that the upstream flow diversion " root cause" of threats to Tonle sap can be directly addressed and interaction can take place to ensure the lake's sustained existence.

Further Processing

The ADB/UNDP project is recommended for pipeline entry.

The PDF B request is recommended for CEO approval upon receipt of a revised project document reflecting changes agreed at the bilateral meeting of February 9, 2000. At ADB's request, and in recognition of project synergies, UNDP will execute the PDF B. UNDP will consult with ADB and key decisions such as TOR and consultant selection will be taken jointly.