

**Local Project Appraisal Committee (LPAC) Meeting for
Environmental Governance Reform Project**

17 March 2016, 10:00-12:00

LAD Conference room

UNDP Cambodia

AGENDA

Time	Agenda	Speaker
9:45 –10:00	Arrival of participants	
10:00 –10:10	Introductory and welcome remarks	Setsuko Yamazaki Country Director, UNDP
10:10 –10:20	Opening remarks	H.E. Sao Sopheap Advisor to the Ministry & Director of the Cabinet, MoE
10:20 –11:00	Presentation of the draft Project Document	Napoleon Navarro Senior Policy Advisor, UNDP
11:00 –11:40	Open discussion/comments on the project	Setsuko Yamazaki Country Director, UNDP
11:40 –11:45	Remarks	H.E. Sao Sopheap Advisor to the Ministry & Director of the Cabinet, MoE
11:45 –11:50	Summary and conclusion	Setsuko Yamazaki Country Director, UNDP

Attendees:

No.	Name	Title	Organization
1	H.E. Sao Sopheap	Advisor and Cabinet Direct,	MoE
2	H.E. Chan Somaly	Deputy Secretary General	NCSD
3	H.E. E. Vuthy	Advisor	MoE
4	H.E. Sum Sokhamphou	Assistant to MoE, Deputy Director General	MoE
5	Chiv Seihakneath	Officer	MoE
6	Khov Bopharoth	Officer	MoE
7	Sum Sovanndeka	Officer	Moe
8	Sandra Stajka	Office Director	USAID
9	Go Tsuruta	Second Secretary	Embassy of Japan
10	Setsuko Yamazaki	Country Director	UNDP
11	Enrico Gaveglia	Deputy Country Director	UNDP
12	Napoleon Navarro	Senior Policy Advisor	UNDP
13	Moeko Saito-Jensen	Policy Specialist	UNDP
14	Phearanich Hing	Policy Analyst	UNDP
15	Daniel Varga	RBM Specialist	UNDP
16	Sann Sok	HR analyst	UNDP

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Background

About LPAC and processes leading to the LPAC

- The two main objectives of the LPAC meeting are 1) to receive comments from relevant stakeholders for the project document and 2) for the Committee to make a subsequent decision as to whether to recommend the project to be approved.
- Prior to the LPAC meeting, UNDP shared earlier versions of the project document with the government focal points, USAID and the Embassy of Japan for comments. UNDP have incorporated comments into the final version of the project document which was distributed to the participants of the LPAC on 10 March 2016. UNDP also conducted pre-meetings with the government focal points and the Embassy of Japan prior to the LPAC.

About Cambodia and Environmental Governance Reform

- Cambodia is rapidly transiting to achieve lower middle-income country status. While the economic growth has brought numerous benefits, the country also faces growing environmental challenges. These challenges relate to the management of natural resources, biodiversity, pollution and wastes. They also relate to the increasing threats from climate change. In response, the government is embarking on environmental governance reform. This reform aims to offer policy and legal solutions not only to address these environmental challenges, but also to achieve sustainable development goals for Cambodia. This reform builds on three pillars of inter-related activities:
- **The first pillar** is MoE modernization, which aims to improve MoE's effectiveness in managing natural resources and environment. The Ministry is also in the process of developing the National Environmental Strategy and Action Plan (2016-2023) to mainstream environmental concerns into line-ministry policies and planning. **The second pillar** is the operationalisation of The National Council of Sustainable Development (NCSD). NCSD was established in May, 2015 and is envisaged to play a pivotal role in facilitating decisions on issues concerning sustainable development. **The third pillar** is the Development of an Environmental Code. The Code aims to establish overarching legal principles to guide the implementation of existing laws towards the achievement of sustainable development. The centrepiece of the Code will be a new Environmental Impact Assessment (EIA) law. The Code will also propose statutory changes to ensure legal harmonization and to clarify the roles and mandates for governing natural resources among different ministries.
- Since 2014, UNDP has provided policy support to the MOE for initial preparatory works for the Reform, primarily focusing on MoE's institutional and legal review and establishment of NCSD. Since then, this reform has gained an incredible momentum and it has expanded its scope and activities. The environmental governance reform entails the development of the Code as well as facilitation of jurisdictional reform that is proposed for the natural resource management sector.
- In line with the UNDP's criteria for quality programming, the project fully embeds Social and Environmental Standards (SES) and Accountability Mechanism (SECU/SRM) in its approach

The objective of the Environmental Governance Reform project

- Building on the earlier efforts, the proposed aims to assist the Royal Government of Cambodia to facilitate ongoing environmental governance reforms in order to create an enabling policy and legal environment for conserving and protecting environmental resources at risk. The following key results will be achieved.
 1. Strengthening of the MoE
 2. Operationalisation of NCSD
 3. Development of an Environmental Code

Remarks

The meeting was chaired by **Ms. Setsuko Yamazaki**, UNDP Country Director.

Ms. Setsuko Yamazaki greeted and welcomed all the participants and introduced the background and main purposes of the Environmental Governance Reform project. She further introduced the main purposes of the LPAC meeting. The first objective is to inform all stakeholders about the proposed project as a final process of project formulation. The second objective is to determine the next steps forward, based on comments and suggestions made by the local appraisal committee. She requested participants to provide constructive comments and suggestions as to whether the project document meets UNDP programme quality standards in respect of strategy, relevance, social and environmental standards, management and monitoring, efficiency, effectiveness, and sustainability.

H.E. Sao Sopheap, Advisor to the Ministry & Director of the Cabinet, MoE, thanked UNDP for organizing the meeting and expressed his appreciation to UNDP for its earlier and ongoing support for the environmental governance reform as well as to the USAID and the Embassy of Japan for providing vital financial support to further implement the environmental governance reform.

Provided a historical overview of the processes leading to the present project to support the environmental governance reform, among others, noting the former assistance provided by UNDP to modernize the MoE, to establish the NCSA, and to develop an Environmental Code. Further provided updates about recent government interventions such as a moratorium on Economic Land Concessions (ELCs), the newly created special taskforce to combat illegal logging, and jurisdictional reforms in the natural resources management sector.

Appreciated that the UN shifted the focus of the UNDAF from poverty reduction to sustainable growth and development. Such shift is well aligned with the government priorities as exemplified by the recent establishment of the NCSA to achieve Cambodia's sustainable development agenda.

Underlined that this proposed project is the second package of UNDP's support to MoE. Explained that MoE had already provided suggestions during the project preparation phase, some of which had been addressed. Noted that MOE would provide additional comments during the discussions.

Presentation

Mr. Napoleon Navarro, UNDP Senior Policy Advisor, and **Ms. Moeko Saito-Jensen**, UNDP policy specialist, made a presentation of the draft project document. The presentation covered

- 1) Background: developmental challenges
- 2) Reform objectives and key results
- 3) Project activities and donor support
- 4) Theory of change of UNDP support
- 5) Project management
- 6) Project period and resources
- 7) Organization structure
- 8) Key human resource inputs
- 9) Budget
- 10) Fund flow and
- 11) SES assessment

Discussion and comments

The presentation was followed by comments raised by participants. Key points are summarized according to quality standards in respect of strategy, relevance, social and environmental standards, management and monitoring, efficiency, effectiveness, and sustainability (see the attachment 1 for more detailed comments).

1. Strategic

The project is highly strategic, designed to contribute to the higher level changes in the form of new laws, policies and institutions, involving all relevant stakeholders in the processes. Beneficiaries (MoE & NCSD) and donors (USAID and the Embassy of Japan) expressed their positions to support the approval of the project.

2. Relevance

The project has a high relevance as it addresses the high priorities of the government to implement environmental governance reforms. The following changes were requested to be made for the project document.

- For the situation analysis:
 - Government data should be used as a reference (e.g. mining concessions).
 - NESAP and the sub-decree No. 34 should be mentioned in the background.
- The MoE strategy and action plan should cover the same period as the NESAP (2016-2023)
- The project activity related to “integrated ecosystem mapping” should be treated as a separate Key Deliverable (KD) 4 rather than being integrated under the KD 3 of the Environmental Code considering that it is a cross-cutting activity to contribute to the works of MoE, NCSD and the Code. The mapping activity should also be facilitated in coordination with the GIS department of the MoE to strengthen their capacities and to contribute to its efforts of creating conservation corridors.

3. Social and Environmental Standards

No comments received

4. Management and Monitoring

The committee discussed a request to include the government focal point as co-chair to increase national ownership of the project. While according to the **DIM modality practice, UNDP is normally the chair of the board, considerations on whether the government can take the co-chair role would be made by the UNDP Chair(Executive of the Project).**

It was requested that the project should:

- ensure coordination and synergy with other development partners especially with the Japan International Cooperation Agency (JICA) in its assistance for the EIA law guidelines and with the ADB work for NESAP.
- ensure visibility of donor contributions (i.e. Japan and USAID) for the project

5. Efficient

The committee discussed the question about project management costs including the proposed P3 post which constitute a significant portion of the project budget. The committee concluded that the P3 post is necessary and that it is an adequate level of staff to ensure the timely delivery of project activities. **The committee concluded that the project management costs are reasonable.**

6. Effective

The committee discussed a request to change from the DIM to NIM modality to increase the national ownership of the project. **The committee made a conclusion of the use of the DIM modality in consideration of the USAIDs' policy about the fund transfer to the UN agencies/government.**

7. Sustainability and national ownership

The committee discussed the issues of national ownership related to the requests on the co-chair post as well as the modalities. It was emphasized that the project takes government ownership into high considerations as a. UNDP Country Programme under which this initiative is part of has been devised in close consultations with all government counterparts b. the LPAC itself is an example of a participatory and consultative approach in approving the project.

Conclusion

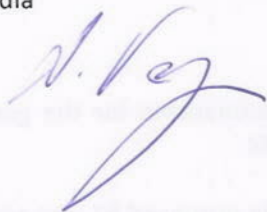
Ms. Setsuko Yamazaki (UNDP) concluded that the LPAC meeting endorsed the project by noting that no fundamental issues were raised against the project.

H.E. Sao Sopheap (MoE) endorsed the project approval as well as the decision for the project to have the DIM modality and the P3 post. Thus the project management cost is considered reasonable.

Minutes taker

Daniel Varga
RBM Specialist
UNDP Cambodia

Signature:



Date:

Moeko Saito-Jensen
Policy Specialist
UNDP Cambodia

Signature:

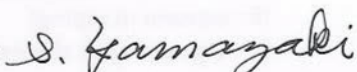


Date:

19 APRIL, 2016

Chair of the LPAC meeting

Ms. Setsuko Yamazaki
Country Director
UNDP Cambodia

Signature: 

Date: 25 April 2016

Annex 1: Detailed comments made by participants

H.E. Sao Sopheap (MoE)

1. Commented that the project is strategic and has a high relevance, directly addressing the present priorities of the government. Also noted that the project will involve all relevant stakeholders in the processes.
2. Requested the project document to refer to NESAP and a recent jurisdictional reform along with the specific reference to the sub-decree no. 34
(Ecosystem mapping)
3. Requested to present the integrated ecosystem mapping activity as a separate key deliverable given it is a cross-cutting activity and further advised that this activity will be facilitated in close coordination with the GIS department of the MoE, especially for their effort to create conservation corridors.
(Co-chair of the board)
4. Requested the Government focal point to have a co-chair role of the board in line with principles of national ownership and Paris Declaration on Aid effectiveness.
(DIM)
5. Requested the change in the modality from DIM to NIM to ensure the national ownership
(UNDP vs ADB)
6. (In response to an inquiry from USAID), explained that the work of UNDP and ADB are complementary: the former is working on the MOE strategy and action plan and the latter on a national environmental strategy and action plan for all line ministries including the MoE.
(P3)
7. Endorsed the decision for the project to have the DIM modality and the P3 post. Thus the project management cost is considered reasonable.

H.E Chan Somaly (NCSD)

1. Echoed the request from H.E Sao Sopheap for the co-chairmanship for the government and changing the project management modality from DIM to NIM
(P3)
2. Expressed concerns for the high project costs, noting that the proposed P3 cost amounts to 14 % of the total project cost. Further inquired whether the P3 position is full time Chief Technical Advisor or a part time consultant
(Japan fund)
3. Inquired why the portion of the project cost for international consultants is significantly high with 85 % for the Japan fund

H.E. E. Vuthy (MoE)

1. Requested the project document to use official data for example for mining concessions
(Fund disbursement)
2. Highlighted the critical needs for timely and quick financial and technical support for the Environmental Code project which is progressing very fast with a very tight timeline. Requested clarifications for how soon the funds will be available.
(Ecosystem mapping)
3. Agreed with the proposal from H.E Sao Sopheap that integrated ecosystem mapping should be a separate Key Deliverable

H.E. Sum Sokhamphou (MoE)

(Ecosystem mapping)

1. Agreed with the proposal from H.E Sao Sopheap that integrated ecosystem mapping should be a separate Key Deliverable and proposed that he would continue to be a focal point for the activity

Ms. Setsuko Yamazaki (UNDP)

(DIM)

1. Explained that the DIM was selected based on the analyses of donors' funding modality and requested USAID for further clarification.

(Co-chair of the board)

2. Further explained that only UNDP holds the executive role according to the DIM modality rules.

(P3)

3. Explained that P3 manager was proposed to assure the adequate level of competency in preparing good quality reports to respond to donor and corporate requirements

Mr. Enrico Gaveglia

(Government ownership)

1. Highlighted that the project takes government ownership into high considerations as a. UNDP Country Programme under which this initiative is part of has been devised in close consultations with all government counterparts b. the LPAC itself is an example of a participatory and consultative approach in approving the project.

(DIM)

2. Explained that NIM is not an option to receive and manage USAID fund. Yet, shed light on the fact that the nature of the project is meant to benefit the government through timely provision of policy upstream technical advisory services to MOE as the beneficiary of the programme.
3. Further noted government appreciation of UNDP roles as a connector of donor interest (Japan and USAID) and a catalyzer of intent and resources around the MoE agenda.

(P3)

4. Explained that UNDP seeks to ensure full accountability towards the Project Board and beneficiaries by successfully delivering 2.8 USD million and for this reason proposed to recruit a full time international P3 position as Project Manager who would have strong legal and managerial background to successfully operate the heavy procurement centric project.

Ms. Sandra Stajka (USAID)

1. Explained the background for USAID's support for the project by noting that UNDP approached USAID in October 2014 with a funding request. USAID viewed the UNDP proposal worth investing in and therefore decided to set aside the amount of 2.5 USD million for UNDP to assist the government for the project.
2. Updated that bureaucratic procedures between CDC and USAID had been a major hindrance for USAID to move forward with the fund transfer.
3. Noted that the agreement that USAID and UNDP have is broad enough to allow flexibility in implementation

(DIM)

4. Clarified that the USAID is not able to fund the Government of Cambodia directly based on the decision of the US Congress and therefore that DIM is the modality by which USAID funds can be used and managed by UNDP. USAID expressed its full trust for UNDP to manage the funds.
5. Inquired about the roles of UNDP vis a vis the roles of ADB's work for NESAP and about complementary between them.

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Mr. Go Tsuruta (The Embassy of Japan)

1. By noting that this is the first time after a long time that Japan is supporting the MoE, reiterated the high expectation that the Embassy of Japan has for the project, for bringing about positive impacts in light of the Cambodia's growing economy.
2. Requested for the project to ensure coordination with other development partners especially with the Japan International Cooperation Agency (JICA) for EIA related technical assistance.
3. Requested that the project will give proper visibility of donor contributions