



Background

Limited road connectivity in combination with high disaster and climate change vulnerability lead to barriers in development in Cambodia, which remains predominantly a rural subsistence economy, with 79 percent of the population living in rural areas. The 2016 World Risk Index ranks Cambodia the 9th most disaster prone country in the world, with floods, storms and droughts as the most prevalent hazards. Typhoon Ketsana in 2009 and the floods in 2011 and 2014 caused damages and losses of US\$132 million, US\$625 million, and US\$357 million, respectively. A preliminary financial risk assessment estimated high annual economic losses for Cambodia due to natural disasters, equivalent to 0.9 percent of GDP. The transport sector is the most affected by natural disasters and the impacts are expected to become more pronounced due to climate change.

Recognizing the links between development, sustainability, and resilience, Cambodia has started to incorporate disaster and climate resilience priorities into its national strategies, however the needs for increased physical investments in disaster resilience, as well as capacity of Government to pursue sustainable and resilient road investment planning, execution and maintenance are high. Building on lessons learnt from the Cambodia Ketsana Emergency Rehabilitation and Recovery Project, and being part of a series of projects on Disaster Risk Management in Southeast Asia, the Cambodia Southeast Asia Disaster Risk Management project promotes supports structural and non-structural investments to increase climate resilience, and promotes disaster risk financing tools including the development of the Southeast Asia Disaster Resilience Insurance Facility (SEADRIF) through a grant from the Global Facility for Disaster Reduction and Recovery (GFDRR).



About the Project

The project development objective is to improve climate resilient rural road connectivity in selected provinces. This objective will be achieved through:

- **Component 1: Resilient Rural Corridors:**
 - Carrying out (a) civil works for the strengthening, climate resilient rehabilitation, safety and maintenance of selected existing rural roads, (b) road safety training and disaster risk management and preparedness awareness raising activities for communities adjacent to selected rural roads.
 - Providing technical assistance to strengthen the capacity of the Ministry of Rural and Development and its provincial offices for planning and managing disaster resilience in the rural roads sector, including: (a) strengthening of rural road maintenance and management systems; (b) development of flood resilient road guidelines; (c) development of rural roads financing and maintenance strategies; (d) capacity building for planning, prioritization, implementation and monitoring of rural road assets.
- **Component 2: Financial Planning for Disaster Resilience**
 - Providing technical assistance to strengthen Ministry of Economy and Finance capacity for financial planning for disaster resilience, including (a) mainstreaming of disaster and climate resilience into public investment planning and development processes; (b) preparing and implementing a national disaster and climate risk finance strategy; (c) facilitating the feasibility study on a regional disaster risk polling mechanism; and (d) supporting day-to-day implementation of the project.
- **Component 3: Project Management**
 - Provision of technical and operational assistance to strengthen the institutional, organizational and technical capacity of MRD to support day-to-day Project implementation, including coordination, technical matters, procurement, financial management, social and environmental safeguards, monitoring and evaluation, and reporting.
- **Component 4: Contingent Emergency Response Component (CERC)**
 - Provision of immediate and effective response to an Eligible Crisis or Emergency, as needed.

Beneficiaries and Results

The project is expected to benefit 340,000 residents who live within 2 km of project roads and will benefit more than 3.5 million people living in the six targeted provinces.



Location: Stung Treng, Kratie, Kampong Cham, Tbong Khmum, Siem Reap, and Kandal provinces

Financiers:

- International Development Association (World Bank), **US\$60 million (Credit), US\$1 million (Grant)**
- Royal Government of Cambodia, **US\$1.5 million**

Implementing Agencies:

- The Ministry of Rural Development;
- The Ministry of Economy and Finance

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March 31, 2022

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