

October 8, 2012

**Comments from the United Kingdom on the Approval by Mail: Cambodia: GMS
Southern Economic Corridor Towns Development Project (ADB)**

Dear all

Thanks so much for sending through this substantial and well written proposal. Whilst we agree that it is strong in many aspects including the detail on gender and on thorough analysis of the impacts of climate change on infrastructure and various sectors, we have some fundamental concerns we would like to raise before we can approve.

The first is on the reference in the ADB project document to involuntary re-settlements, there is little in the document we could see to explain the rationale for this or how the significant social and political risks associated with it will be mitigated. Is this planned because areas are vulnerable to climate impacts or to make way for economic expansion? Presumably the ADB has a policy on this, how is it being implemented and monitored? We understand previous re-settlement projects the ADB have been involved with in Cambodia have been associated with land disputes, what lessons have been learnt from this and how will the ADB set a positive example through this project?

The second is on the risks associated with such a large infrastructure programme of unsustainable management and of corruption. It seems from the document that a relatively inexperienced Ministry with low capacity, especially at the subnational level, is in charge of delivering this and it isn't clear what the arrangements are for longer term operation and maintenance of this infrastructure beyond the life of the project. Are there arrangements for this to be mainstreamed into the Government's own budget? The capacity building parts are a little confusing, how does the PMU relate to Ministry capacity, is the project building capacity of permanent civil servants as well as project staff? Large infrastructure programmes inherently carry corruption risks, whilst the ADB document outlines the procedures and regulations that will be followed these will need to be continually monitored to ensure compliance, especially as the document acknowledges that the Ministry involved is fairly inexperienced at procurement, especially at the subnational level

Lastly while the climate change analysis is extremely thorough at a detailed level in terms of analysing the impacts on infrastructure, it's not obvious how this analysis has been applied to the bigger picture of the choice of investing heavily in economic growth and population expansion in areas that are highly climate vulnerable. It may be that this has been considered but this issue could be brought out more clearly in the documents, given that part of the role of PPCR is to enable these larger strategic and transformational decisions to be made, and not just to climate 'proof' existing plans. We have a few other more detailed comments, including on the projects strengths, but will send these through to follow. We are sending these priority concerns through ahead

of the deadline now in case the answers are readily available or we've overlooked them in the large amount of documentation.

Many thanks

Juliet

Juliet Field | Climate Change Advisor - Adaptation Team | Climate and Environment Department | Department for International Development