



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
KH-LAND ALLOCATION FOR SOCIAL AND ECONOMIC DEVELOPMENT PROJECT II
APPROVED ON MAY 19, 2016
TO
KINGDOM OF CAMBODIA

November 3, 2020

AGRICULTURE AND FOOD GLOBAL PRACTICE
EAST ASIA AND PACIFIC REGION

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ABBREVIATIONS AND ACRONYMS

AWPB	Annual Work Plan and Budget
CDP	Commune Development Plan
CFD	Community Fund for Development
CIP	Commune Investment Plans
COM	Community Operation Manual
FM	Financial Management
IFR	Interim Financial Report
LRs	Land Recipients
MLMUPC	Ministry of Land Management, Urban Planning and Construction
SLC	Social Land Concession
SOE	Statement of Expenditure



BASIC DATA

Product Information

Project ID P150631	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 19-May-2016	Current Closing Date 31-Dec-2021

Organizations

Borrower KINGDOM OF CAMBODIA	Responsible Agency National Committee for Sub-National Democratic Development Secretariat (NCDDS), Ministry of Land Management, Urban Planning and Construction (MLMUPC), Ministry of Agriculture, Forestry and Fisheries (MAFF)
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Project Development Objective (PDO)

Original PDO

The project development objective is to help improve target beneficiaries' access to agriculture resources and selected infrastructure and social services in project communities.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-58070	19-May-2016	09-Jun-2016	08-Aug-2016	31-Dec-2021	25.06	20.85	4.51

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Background

1. ***This restructuring paper seeks the approval for a Level 2 restructuring for the Cambodia Land Allocation for Social and Economic Development Project II (LASED II, P150631, IDA Credit No. 5807-KH)***, to: (i) update the result indicators in light of corrected baseline data and to better reflect project expected outcomes and (ii) increase designated account (DA) ceilings to support the increased project operations; and (iii) change the implementing agency from the General Secretariat for Social Land Concession (GSSLC), which was closed due to the restructuring of Ministry of Land Management, Urban Planning and Construction, to the Department of Social Land Concession under the General Department of Housing (GDH). . These proposed changes are made in response to the request received from the Royal Government of Cambodia (RGC) dated October 6, 2020. This is the first restructuring of the Project.

2. ***The project development objective is to help improve target beneficiaries' access to agriculture resources and selected infrastructure and social services in project communities.*** The total project cost is US\$ 26.86 million, which is financed by a US\$ 25.06 million equivalent IDA credit and US\$ 1.80 million from government's counterpart funding. The IDA credit was approved on May 19, 2016, and the project became effective on August 8, 2016. The project's closing date is December 31, 2021. The project covers a total of 14 Social Land Concession (SLC) sites in five provinces including: Kratie, Tbong Khmum, Kampong Thom, Kampong Chhnang, and Kampong Speu. It builds on the successful implementation and experience of phase I of the project by providing a package of agriculture technology assistance and infrastructure support to make their land productive and sustainable. The project has two main components: (i) Component 1: Infrastructure and Livelihood Systems, and (ii) Component 2: Project Management.

B. Project Status

3. ***Overall, progress towards achievement of the Project Development Objective (PDO) and implementation are rated satisfactory in the latest ISR as of August 14, 2020.*** Financial Management and procurement are rated satisfactory, and overall, safeguards is rated moderate satisfactory. The project has been under implementation for 49 months with mid-term review (MTR) held in September 2019. The PDO remains relevant in line with the Government's Sub-decree No. 19 on Social Land Concession Program and is considered a key strategy for poverty reduction under the current Rectangular Strategy IV. It is a priority for the government of Cambodia, even more relevant in the context of the COVID 19 economic recovery. As of October 8, 2020, total IDA disbursements amounted to USD20.21 million or about 79.74%. Project implementation was adversely affected from February to May 2020, due to COVID-19 pandemic restrictions, coupled with the project staff's involvement in the very intensive preparation of the LASED III. The COVID 19 related restrictions disrupted the field activities, particularly delaying the monitoring, training and field demonstrations. The teams are now fully resuming activities as agriculture is becoming a very high priority for the country, for ensuring food security at the household level and nationally.

4. ***All the three PDO indicators have been achieved and exceeded to date, with a minor shortfall among the number of eligible families.*** These includes (i) 100% of all eligible LR at 13 sites has received land titles as of December 19, 2019 vs. Year 4: target 100%; (ii) 93% of the planned infrastructure and services activities outlined in the AWPB and budget 2020 have been implemented as in the plan vs. Year 4: target 80%. However, the proposed water supply facilities were cancelled in March 2020 in Peam (Kampong Chhnang) due to the change of proposed water supply design and limited



time.; and (iii) 86% or 2,020 training participants (1,624 female trainees), out of a total number of 3,129 trainees participants, expressed satisfaction with the agriculture techniques introduced and have started applying the techniques on their farms vs. Year 4: target of 65%. The distribution of land titles to eligible beneficiaries in the 13 SLC sites was completed on December 19, 2019. The planning and preparation activities for the new SLC site in Dong, the land allocation to beneficiaries and settling in has been completed with a total of 650 land recipients (LRs) as of June 16, 2020.

5. All nine intermediate results indicators have been achieved to date. Some key highlights include: (i) 5,091 LRs reached with use of ownership rights recorded as a result of the project vs. Year 4: target 5,141.; (ii) 75% of the LRs' land are prepared and planted with cover crop at the moment, and the total agriculture area in all 14 sites is approximately 7,000 ha vs. Year 4: target 100%; (iii) 73% or 5160.03 ha are currently cultivated with annual and perennial crops vs. Year 4: target 60%; (iv) in 2,987.75 ha, sustainable land management practices were adopted as a result of project vs. Year 4: Target of 3,500 ha; (v) a total of 3,497 LRs have adopted improved agriculture technology vs. Year 4: target of 2,600 LRs. The number of female LRs who have adopted improved agriculture technology increased from 1,298 in August 31, 2019 to 1,302 in June 30, 2020 vs. Year 4: target 700; (vi) 48% or 2,593 LRs are members of an association (SHGs, ACs, etc.) vs. Year 4: target 70%. Out of total 5,091 LRs, 1,900 primary LRs are female and 3,191 primary LRs are males. 1,583 female LRs are members of associations vs. Year 4: target 910 LRs. 1,010 male LRs members of association vs. Year 4: target 2,730 LRs.

6. **Financial Management continues to be implemented according to the agreed guidelines and procedures.** The Interim Financial Reports have been submitted on time and the audit opinion on the project Financial Statements has been unqualified (clean) from the inception date to the latest year (2019).

C. Rationale for Restructuring

7. **The Project Result Framework** had included the baseline value of Land Recipients (LRs) in the Battambang site that had been dropped from the project design at appraisal stage. While references across the project description had been revised across the Project Appraisal Document (PAD) and Project Implementation Manual (PIM), the necessary adjustments in the Results Framework targets were not undertaken. Furthermore, the number of beneficiaries in the new project site in the Dong commune were unknown at the time of appraisal. As a result, the estimated number of LRs that was included in the Results Framework is higher than actual number. The proposed restructuring will correct these numbers. Although the miscalculation of target values in the Result Framework become known earlier, it was agreed with the Government that the adjustments to the target values be made only after the finalization of the selection of the LRs in Dong¹. The revised results framework will be incorporated in the Project Implementation Manual.

8. **The current Designated Account ceilings** for NCDs are not sufficient to meet the financing needs to support the increased project operations during the peak project implementation period. This is necessitating the NCDs to submit multiple replenishment applications per month to meet the rising payment demands. The proposed increase in the DA ceiling will help reduce the project administrative burden of submitting multiple replenishment applications.

9. **Institutional Arrangement.** The Ministry of Land Management, Urban Planning and Construction carried out an organizational restructuring (Sub-degree no. 66, dated May 16, 2019), which resulted in the closure of the General Secretariat for Social Land Concession (GSSLC) and the establishment of a new department called the Department of Social Land Concession under the General Department of Housing (GDH). The functions and responsibilities of the GSSLC as required under the Financing Agreement have been transferred to the GDH with the same staffing and structure. The composition, functions, staffing and resources of the GDH have been found satisfactory to the Bank.

¹ completed the third round of the lucky draw for LRs in Dong on June 16, 2020



II. DESCRIPTION OF PROPOSED CHANGES

A. Proposed Changes

10. The following provides a summary of the proposed changes:

- (i) **Result Framework.** There are no changes to the PDO indicators and intermediate results indicators. However, the end target values for the PDO and intermediate indicators are being revised as presented below.

Table 1: Summary of Changes in the Result Framework

Indicators	Baseline	End target
Revised PDO Indicators		
<p><i>“Targeted client satisfied with agricultural services – male (number)”</i> [Revised target]: the cumulative target value number is adjusted from year 1 with end targeted number 2,422 instead of 1,911 to better reflect actual gender-disaggregated number of beneficiaries who participated in the training.</p>	0	2,422
<p><i>“Targeted client satisfied with agricultural services – female (number)”</i> [Revised target]: the cumulative target value number is adjusted from year 1 with end targeted number 1,140 instead of 637 to better reflect actual gender-disaggregated number of beneficiaries who participated in the training.</p>	0	1,140
<p><i>“Targeted clients- male (number)”</i> [Revised target]: the baseline number for male beneficiaries is adjusted to 2,940 instead of 3,375. End target number is also adjusted to 3,467 instead of 3,900.</p>	2,940	3,467
<p><i>“Targeted clients – female (number)”</i> [Revised target]: the baseline number for female beneficiaries is adjusted to 1,501 instead of 975. End target number is also adjusted to 1,624 instead of 1,300</p>	1,501	1,624
Revised Intermediate Result Indicators		
<p><i>“Target population with use or ownership rights recorded as a result of the project (Number)”</i> [Revised target]: the baseline number is adjusted to 4,441 instead of 4,697 to exclude 256 LRs from Battambang site. The end target number is also adjusted to 5,091 instead of 5,141 as number of beneficiaries in new Dong site was overestimated by 50 LRs.</p>	4,441	5,091
<p><i>“Targeted clients who are members of an association – male (Number)”</i> [Revised target]: the baseline number is adjusted to 234 instead of 312 and end target is adjusted to 3,115 instead of 3,510. The project experienced a larger than expected share of women participating in and benefitting from agriculture extension services and memberships in associations. As a result, the gender-disaggregated numbers of beneficiaries have been adjusted for related indicators.</p>	234	3,115
<p><i>“Targeted clients who are members of an association – female (Number)”</i></p>	121	1,466



[Revised target]: the baseline number is adjusted to 121 instead of 104 and end target is adjusted to 1,466 instead of 1,170. The project experienced a larger than expected share of women participating in and benefitting from agriculture extension services and memberships in associations. As a result, the gender-disaggregated numbers of beneficiaries have been adjusted for related indicators.		
“Beneficiaries that feel project investment reflected their needs – female (Number)” [Revised target]: the cumulative target value number is adjusted from year 1 with end targeted number 1,222 instead of 731 to better reflect actual gender-disaggregated number of beneficiaries who participated in the project.	0	1,222
“Beneficiaries that feel project investment reflected their needs – male (Number)” [Revised target]: the cumulative target value number is adjusted from year 1 with end targeted number 2,596 instead of 2,925 to better reflect actual gender-disaggregated number of beneficiaries who participated in the project.	0	2,596

(ii) **Increase of Designated Account (DA) Ceilings.** It is proposed that the ceilings of the DA-A (NCDDS), DA-B (GDH) and DA-C (DGA) are increased from US\$1,600,000, US\$150,000 and US\$50,000 to US\$3,000,000, US\$250,000 and US\$100,000, respectively. Although the Project Restructuring is approved, the DA’s ceiling increase is subject to the TTL’s approval and sufficient justification (such as cash forecast) provided by the Project.

(iii) **Institutional Arrangement** is being updated as a result from organizational restructuring of a responsible general department under the Ministry of Land Management, Urban Planning and Construction (MLMU). It will be changed from the “General Secretariat for Social Land Concession (GSSLC)” to “General Department of Housing (GDH)”. The functions and responsibilities remain the same.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Disbursements Arrangements	✓	
Institutional Arrangements	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓



Reallocation between Disbursement Categories		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



Results framework

COUNTRY: Cambodia

KH-Land Allocation for Social and Economic Development Project II

Project Development Objectives(s)

The project development objective is to help improve target beneficiaries' access to agriculture resources and selected infrastructure and social services in project communities.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Access to agriculture resources and infrastructure									
Eligible families that have received support for land tenure security (Percentage)	0.00	80.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Public infrastructure and other services provided as elaborated in AWPB (Percentage)	0.00	80.00	80.00	80.00	80.00	80.00	90.00	90.00	90.00
Targeted clients satisfied with agricultural services (percentage) (Percentage)	0.00	50.00	55.00	60.00	65.00	70.00	70.00	70.00	70.00
Targeted clients satisfied with agricultural services - male (number) (Number)	0.00	1,465.00	1,611.00	2,040.00	2,250.00	2,422.00	2,422.00	2,422.00	2,422.00



The World Bank

KH-Land Allocation for Social and Economic Development Project II (P150631)

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Action: This indicator has been Revised	Rationale: <i>The cumulative target value number is adjusted from year 1 with end targeted number 2,422 instead of 1,911 to better reflect actual gender-disaggregated number of beneficiaries who participated in the training.</i>								
Targeted clients satisfied with agricultural services - female (number) (Number)	0.00	755.00	831.00	960.00	1,059.00	1,140.00	1,140.00	1,140.00	
Action: This indicator has been Revised	Rationale: <i>The cumulative target value number is adjusted from year 1 with end targeted number 1,140 instead of 637 to better reflect actual gender-disaggregated number of beneficiaries who participated in the training.</i>								
Targeted clients- male (number) (Number)	2,940.00	2,940.00	2,940.00	3,388.00	3,467.00	3,467.00	3,467.00	3,467.00	
Action: This indicator has been Revised	Rationale: <i>The baseline number for male beneficiaries is adjusted to 2,940 instead of 3,375. End target number is also adjusted to 3,467 instead of 3,900. The original assumption was that 80% of male beneficiaries contributed in end of target, while in reality, approximately 66% to 68% of male client participated during year 1 to 4. These numbers are adjusted for baseline and year 1 onward.</i>								
Targeted clients – female (number) (Number)	1,501.00	1,501.00	1,501.00	1,612.00	1,624.00	1,624.00	1,624.00	1,624.00	



Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
<i>Action: This indicator has been Revised</i>			<p>Rationale: <i>The baseline number for female beneficiaries is adjusted to 1,501 instead of 975. End target number is also adjusted to 1,624 instead of 1,300. The original assumption was that 20% of female beneficiaries contributed in end of target, while in reality, approximately 32%-34% of female client participated during year 1 to 4. These numbers are adjusted for baseline and year 1 onward.</i></p>						

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Sub-Component 1.1: Social Land Concession Investment Planning and Prioritization									
Target popln with use or ownership rights recorded as a result of the project (Number)		4,441.00	4,441.00	4,441.00	5,000.00	5,091.00	5,091.00	5,091.00	5,091.00
<i>Action: This indicator has been Revised</i>			<p>Rationale: <i>The baseline number is adjusted to 4,441 instead of 4,697 to exclude 256 LRs from Battambang site. The end target number is also adjusted to 5,091 instead of 5,141 as number of beneficiaries in new Dong site was overestimated by 50 LRs.</i> <i>The definition of baseline of target values in the Results Framework had included LRs an urban project site in Battambang, which was removed from the project design at the last minute. While references across the project descriptions had been revised across Project Appraisal Document (PAD) and Project Implementation Manual (PIM), the adjustments of baseline in the Results Framework were forgotten.</i> <i>Furthermore, the beneficiary numbers at the new project site in Dong commune were unknown at the time of appraisal (estimated 700 LRs in Dong during the in the PAD, and actual number is 650 LRs as of June 16, 2020). As a result number of LRs that were included in the Results Framework turned out to be 50 higher than actual numbers.</i></p>						
Sub-component 1.2: Land Preparation and Infrastructure Development									



Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Land prepared and planted with cover crop (Percentage)		25.00	25.00	100.00	100.00	100.00	100.00	100.00	100.00
Sub-component 1.3: Agriculture and Livelihood Development									
Land under productive agriculture (Percentage)		30.00	40.00	40.00	50.00	60.00	80.00	80.00	80.00
Land area where sustainable land mgt. practices were adopted as a result of proj (CRI, Hectare(Ha))		500.00	700.00	1,500.00	2,500.00	3,500.00	5,000.00	5,000.00	5,000.00
Clients who have adopted an improved agr. technology promoted by the project (CRI, Number)		1,350.00	1,380.00	1,380.00	2,080.00	2,600.00	3,640.00	3,640.00	3,640.00
Clients who adopted an improved agr. technology promoted by project – female (Number)		350.00	390.00	390.00	650.00	700.00	910.00	910.00	910.00
Targeted clients who are members of an association (percentage) (Percentage)		8.00	20.00	40.00	60.00	70.00	90.00	90.00	90.00
Targeted clients who are members of an		234.00	586.00	1,172.00	2,040.00	2,422.00	3,115.00	3,115.00	3,115.00



Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Beneficiaries that feel project investment reflected their needs - female (number - subtype) (Number)		0.00	1,133.00	1,133.00	1,200.00	1,222.00	1,222.00	1,222.00	1,222.00
	<p>Rationale: The cumulative target value number is adjusted from year 1 with end targeted number 1,222 instead of 731 to better reflect actual gender-disaggregated number of beneficiaries who participated in the project.</p> <p>Action: This indicator has been Revised The original assumption was that 20% of beneficiaries (project investment) recipients would be female. In reality, a distribution of approximately 34% (year 1 to 3) to 32% (year 4 to end target) female (1,222 end target) participation was observed. These numbers are adjusted for year 1 onwards.</p>								
Beneficiaries that feel project inv. reflected their needs - male (number) (Number)		0.00	2,197.00	2,197.00	2,550.00	2,596.00	2,596.00	2,596.00	2,596.00
	<p>Rationale: The cumulative target value number is adjusted from year 1 with end targeted number 2,596 instead of 2,925 to better reflect actual gender-disaggregated number of beneficiaries who participated in the project.</p> <p>Action: This indicator has been Revised The original assumption was that 80% of beneficiaries (project investment) recipients would be male. In reality, a distribution of approximately 66% (year 1 to 3) to 68% (year 4 to end target) male (2,596 end target) participation was observed. These numbers are adjusted for year 1 onwards.</p>								
Component 2: Project Management									
Reporting to NCDD, NCSLC and Bank on time (Number) (Number)		0.00	2.00	4.00	6.00	8.00	10.00	10.00	10.00
MIS system developed and information regularly		0.00	N/A	Yes	Yes	Yes	Yes	Yes	Yes

