

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Cambodia, Lao PDR, Myanmar	Project Title:	Climate-friendly Agribusiness Value Chains Sector Project
Lending/Financing Modality:	Sector	Department/ Division:	SERD/SEER

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

#### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The project supports the national and regional strategy documents and long-term goals to achieve economic growth, reduce poverty, achieve the Sustainable Development Goals, and construct basic infrastructure for agricultural commercialization and modernization. The project is consistent with the country partnership strategies of the Asian Development Bank (ADB) for Cambodia, Lao PDR and Myanmar (CLM countries), through greater attention to agricultural commercialization, rural development, and infrastructure while supporting private sector development, public-private partnerships, capacity building, gender equity, and regional cooperation and integration.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2, etc.)

The project is targeting to improve livelihood of farmer households that will have access to stable and sustainable marketing channels for their agricultural products. Rural farming households continue to be among the poorest people in CLM countries. Details on poverty and positive and negative impacts on farmers will be collected as part of the PPTA, and fed into project design.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The project promotes inclusive economic growth, increased agricultural productivity, and commercialization by addressing binding constraints in the entire value chain from farm production to food quality and safety. The project will aim at: improving food, energy and water security; improving living standards; enhancing market-based farming; and increasing exports to neighboring countries. Key determinants of poverty in CLM countries are low education, female-headed households, small landholdings, low crop yields, lack of investment capital, and limited skills in agribusiness development. Poorly operating agricultural infrastructure and inadequate markets exacerbate poverty. Low educational attainment, particularly among women, continues to constrain off-farm wage earning and community participation. Female-headed households are the most disadvantaged because of lack of labor, difficulty in productively farming land, and exclusion from decision making. Poor landless and small land-holding households are also disadvantaged.

Primary beneficiaries are rural communities, almost all of whom depend on agriculture for their livelihoods, with many either poor or vulnerable to economic shocks and climate change. Farmers need stable access to market and stable prices for their products, and improved access to marketing information, which will be provided to them through the participating enterprises. Secondary beneficiaries are the external markets and/or agribusinesses and traders who will have improved access to agricultural products and thereby more potential to expand their businesses. Government staff will benefit from enhanced capacity to implement, manage, and account for projects and, improved capacity to improve resource efficiency, climate resilience and disseminate climate-smart agricultural practices.

2. Impact channels and expected systemic changes. Climate change poses serious challenges to various components of agribusiness value chains through shifting weather patterns and intensity of droughts and floods, increased temperatures and extreme weather events. The project's social impacts are positive, with the only negative impact being minor land acquisition for agribusiness infrastructure construction. Through the implementation of civil works, local people will be able to benefit as paid labor. Thereafter, stronger producer groups, better farming techniques, will improve production and enable engagement with agribusinesses on more favorable terms. This will provide more reliable incomes and food security. Moreover the improved value chain will generate employment for both skilled and unskilled labor. The need for a stable and increased supply of inputs in the value chain, and this input will be provided by farmers participating in the value chain, in part through equitable and socially inclusive arrangements to be designed with PPTA support. This will help make households more resilient to economic shocks and destructive extreme climate events. Through application of a private sector driven approach, and encouraging PPP, the poor will be able to increase cash income through farm day labor, and by renting land for cropping from wealthy families. Women will benefit from increased demand for their farming skills.

Support to grow a variety of crops, including fruits and vegetables, provides opportunities for cash market sales as well as improved household nutrition. Increased income will provide cash for school and health costs. Better quality agri-food products will attract buyers and traders with agricultural and non-agricultural goods and services into

villages. The participation of farmers and villagers will improve through better communication, accountability, and information sharing by the producer groups and provincial and/or district offices. The project provides access to direct employment, training, capacity building, and decision making.

3. Focus of (and resources allocated in) the PPTA or due diligence. The PPTA will improve the project design to (i) ensure poor and vulnerable rural households can benefit from the project; (ii) ensure benefits by and participation of women (through a gender action plan); and (iii) empower local farmers by improving farmer associations and cooperatives. Resources will be allocated in the PPTA to ensure that the implementation procedures for poverty and social concerns meet the Government and ADB requirements.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

In CLM countries, women work as much as men in agriculture, own and operate household businesses, take part in maintenance activities, and control household finances, yet are generally not included in decision-making processes. Women have less access to marketing information and agri-business and women also have less opportunity to lead farmers' groups due to lack of experience and women's mobility is very limited. Women work on unpaid activities such as - caring for children and the elderly, cleaning, cooking, and most other household duties. Exclusion from the public sphere appears to be due to a combination of cultural practices and women's lower confidence and educational attainment. Female-headed households are the poorest, most marginalized, and most vulnerable group. Very few women occupy senior or technical positions in the Ministries of Agriculture. This perpetuates the mind-set of planning and extension services being oriented only to males. While there is some progress with gender mainstreaming concepts, practical application of these concepts at community level with farmers and village leaders is still limited. A system for reporting of sex and ethnic disaggregated data in projects is lacking.

The PPTA will collect staff data to determine gender targets in training and decision-making bodies, and provide design features to ensure that the project contributes to gender equality. It will identify gender issues specific to production and processing, and participation of women in value chains, contract farming, and farmer associations.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes, the project will improve local people's livelihood by (i) creating employment opportunities for women, (ii) providing increased demand for agricultural products by involving local farmers in the supply chain, and (iii) empower local farmers and increase sustainability of farming systems by improving farmer production groups. The PPTA will prepare a gender action plan that ensures (i) women benefit from employment opportunities, (ii) women receive appropriate capacity development and it is ensured they can participate in supply chains, and (iii) women are empowered to participate in educational and training activities.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

No, in the worst case scenario, assuming the project does not take any proactive measures action, the project will not increase inequality between genders.

4. Indicate the intended gender mainstreaming category.

GEN (gender equity theme)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders are farmer groups, the provincial and local governments, participating government units and agribusinesses in the supply chain, and local people that will be employed by the expanded associated economic activities. Consumers of agri-food products also will benefit from consistently better quality products. Local populations will be consulted to ensure they participate in project design and benefit, in particular as the project success depends on their up-take of participation in employment and value chain.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

This project is about building inclusive agribusiness value chains, focusing on low income groups. Stakeholders, particularly the poor, will be engaged in the agribusiness value chains to maximize supply chain efficiencies and to create a favorable environment for enterprise growth. Business oriented NGOs and foundations may be engaged in this program. The project will support existing farmer groups. During PPTA, vulnerable groups at risk of being excluded from benefiting from the project due to lack of financial, human and/or social capital will be consulted to ensure that their needs are fully reflected.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

All CLM countries have many civil society organizations. Key groups relevant to the project are: farmer associations, cooperatives, Women's Union, village heads and development committees. They will be consulted during project design, included as far as possible in the project steering committee, and be involved in project implementation.

Information generation and sharing  Consultation  Collaboration  Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?  Yes  No

The whole rationale of the project is about participation of rural communities in agricultural intensification and commercialization activities. The PPTA will consult poor and vulnerable households to provide their inputs to project design to ensure removal of barriers to their participation and benefits from the project. A social development consultant will be tasked with integration of consultation and participation and stakeholder communication into the project design through features such as capacity strengthening of farmers' associations and cooperatives.

#### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A  B  C  FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No

Minor land acquisition may be needed during construction or to improve infrastructure design. This will be verified under the PPTA; due diligence will be conducted to check whether land acquisition was done in anticipation of the project, and if required, a corrective action plan will be prepared for sites that have IR issues, in accordance with ADB Safeguards Policy Statement.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? A Resettlement Framework will be prepared during PPTA. Resettlement Plans will be prepared for priority subprojects screened as Category B.

**B. Indigenous Peoples Category**  A  B  C  FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?  Yes  No

The project will provide clear benefits to indigenous people through better livelihood opportunities. This will be verified during PPTA. The impact is positive rather than negative.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes  No

3. Will the project require broad community support of affected indigenous communities?  Yes  No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan  Indigenous peoples planning framework  Social Impact matrix

Environmental and social management system arrangement

Indigenous Peoples Plans will be prepared for priority subprojects screened as Category B.

#### V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment  Adhering to core labor standards  Labor retrenchment

Spread of communicable diseases, including HIV/AIDS  Increase in human trafficking  Affordability

Increase in unplanned migration  Increase in vulnerability to natural disasters  Creating political instability

Creating internal social conflicts

2. How are these additional social issues and risks going to be addressed in the project design?

The project will create employment opportunities for long-term and short-term employment, as well as 'contract farming' arrangements that are equitable and following international best practices and standards. The PPTA will design project elements that ensure national and as far as possible international labor standards are a condition of work, civil works, and other contracts.

#### VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?  Yes  No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the PPTA or due diligence?

PPTA will include social safeguards and social development/ gender consultants (international: 6 months; national: 9 months). Budget for surveys: \$160,000; Workshops: \$140,000; The PPTA will include an individual international consultant to provide peer review and further advice on gender and social issues.