



# Initial Poverty and Social Analysis

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## Proposed Loan Cambodia: Irrigated Agriculture Improvement Project

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Asian Development Bank

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Cambodia	Project Title:	Irrigated Agriculture Improvement Project
Lending/Financing Modality:	Concessional Ordinary Capital Resources Loan	Department/Division:	Southeast Asia Department Environment, Natural Resources, and Agriculture Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

In the last decade, a sharp decline in Cambodia's poverty incidence was achieved with population below the poverty line decreasing from 47.8% in 2007 to 18.9% in 2013. Phase III of the Rectangular Strategy on Growth, Employment, Equity, and Efficiency (RS-Phase III) aims to reduce poverty further to achieve more than 1% point reduction in poverty incidence annually. RS-Phase III provides guidance to ensure equitable and sustainable growth especially in the rural areas where nine out of ten poor people can be found. One of its main thrusts is agriculture which calls for improving agricultural productivity, diversification, and commercialization. ADB's Country Partnership Strategy (CPS) is aligned with the RS-Phase III thrust on irrigation and water resources management by supporting interventions that will enhance water and agricultural productivity.<sup>a</sup>

The proposed Irrigated Agriculture Improvement Project will support RS-Phase III, NSDP, and ADB's CPS by enhancing agricultural and rural economic productivity through improved management of water resources and increased efficiency of irrigation systems in 3 to 4 provinces selected from Kampong Cham, Tbong Khmun, Kampot, Takeo, Battambang, Kampong Thom, and Prey Veng provinces. Since these are the same provinces of the ongoing Climate-Resilient Rice Commercialization Sector Development Project and the proposed Climate-Friendly Agriculture Value Chains Project to be approved in 2018, and have great potential for enhancing agricultural productivity and rural economy, it will complement the outcome of those two projects. The combined and cumulative effects of the three projects will contribute more to improving the productivity of agriculture sector which accounts for 29% of national GDP (2008-2013) and will have greater impact in reducing rural poverty (endnote a).

#### B. Poverty Targeting

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

DMF indicators of the project outputs promote inclusion of the poor and vulnerable. Under Output 1, efficiency and climate resilience of irrigation systems enhanced, women will be involved in unskilled labor. Under Output 2, water resource management improved, farmers and water users' groups will be trained and will encourage membership among and leadership by women.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Potential beneficiaries will be male and female farmers, sharecroppers, small land-holding families, and water users in the seven provinces. The poor population ranges between 25% to 34% in these provinces.<sup>b</sup> Combined, the total number of poor households almost reaches about 1.5 million. There is little risk that improvement of irrigation systems will cater mostly to landed farmers and households who are usually not poor because average land holding is around 1 ha in these provinces. Lands serviced by secondary canals also need more efficient irrigation systems especially during the dry season.<sup>c</sup> Poverty incidence in Cambodia was at 18.9% in 2013 but most of the population is living just above the poverty line with 41% living on \$2 a day and 72% on \$3 a day (endnote a). This makes the bulk of Cambodia's population highly vulnerable to poverty with the experience of the slightest shocks including climate change.

2. Impact channels and expected systemic changes.

Subproject selection will ensure that sharecroppers, women, poor farmers, and other vulnerable and excluded groups will be among project beneficiaries. Subproject design will involve rehabilitation of both primary and secondary canals to ensure that farmers and sharecroppers who work on faraway lands will be reached. The project will introduce mechanisms to reduce vulnerability to climate change thereby protecting livelihoods and incomes.

3. Focus of (and resources allocated in) the TRTA or due diligence.

Two social development specialists and two gender specialists will be among the TRTA team to conduct poverty and social assessment and provide recommendations for ensuring that project benefits accrue to the poor and vulnerable, lessen negative impacts, and ensure ownership.

4. Specific analysis for policy-based lending. Not Applicable.

### 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?

As Cambodia emerges from conflict, many households are left with women as household heads. These households tend to be “poorer, economically and socially. They face disadvantages in terms of access to land, lack of adult labor for income earning and agriculture cultivation and are therefore highly vulnerable to sudden shocks that may intensify and deepen poverty.” While 84% of women aged 15–64 in 2010 participated in the labor force, 55% were engaged in agriculture, and the proportion has remained stable since 2004. The proportion of women engaged in industry and services has also changed little. Women comprise only 27% of wage employment in the formal sector—mostly in vulnerable, low-paying jobs in the garment industry (endnote a). Women’s involvement in on-farm activities is key to agricultural production. They spend substantial time on farm and always face challenge of balancing that with other daily household chores. Their role in decision making with regard to water management is crucial and more focused trainings and capacity building are required to fulfill that role particularly in management positions in FWUCS.

Differential needs of men and women for agriculture and watersheds, as well as their roles in managing these resources need to be determined and incorporated in project design. These will be fleshed out during gender analysis.

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  No

The project encourages women’s participation in and leadership of farmer and water user groups. It also supports women’s livelihoods in agriculture and employment in general. The project will ensure that management of FWUCs will have at least 40% women members. Special training program will be developed and implemented to build their capacity as managers of FWUCs as well as for managing water. A gender action plan will be prepared during TRTA.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  Yes  No

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 beneficiaries will be farmers and water users. Farmers whose crops may not be irrigated during construction of irrigation systems and residents whose access to resources in watershed areas may be restricted constitute those who will be negatively affected. Meaningful consultations with farmer and water users groups as well as key informant interviews with village leaders will be conducted to help identify irrigation systems and crops that will provide the most benefit to farmers and water users, gather information relevant to better subproject design, and solicit suggestions to mitigate negative effects including schedule of construction against the agricultural cycle.

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?

The project will help strengthen existing farmer and water users groups through training and expansion of membership to embrace the vulnerable and included. The project will also support formation of new farmer and water users groups if needed. Participation of the poor and excluded are needed in identifying irrigation schemes, crops, and other subproject interventions that have the most potential to raise their incomes and ensure ownership and sustainability.

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?

Farmers groups, water users groups, and women’s groups comprise the main civil society organizations in the project areas. They will be largely consulted during project preparation.

- 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

Elite capture of benefits needs to be addressed during project design. Stakeholder analysis and mapping of civil society organizations will identify the poor and excluded groups. Their needs and concerns will be seriously considered during TRTA and incorporated in the project design.

### II. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category  A  B  C  FI

<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>The project is mostly rehabilitation of existing irrigation facilities hence no land acquisition is envisaged. However, a resettlement framework will be prepared to guide preparation of subproject resettlement plans if they are screened to have involuntary resettlement impacts. Subprojects with involuntary resettlement impacts will need resettlement plans at TRTA.</p>
<p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan                      <input checked="" type="checkbox"/> Resettlement framework                      <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement                      <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>It is envisaged that there are no non-Khmer groups living in the prospective project area. Detailed analysis of impact will be conducted during the TRTA.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan    <input type="checkbox"/> Indigenous peoples planning framework    <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement                      <input checked="" type="checkbox"/> None</p>
<p align="center"><b>III. OTHER SOCIAL ISSUES AND RISKS</b></p> <p>1. What other social issues and risks should be considered in the project design?</p> <p><input type="checkbox"/> Creating decent jobs and employment    <input type="checkbox"/> Adhering to core labor standards    <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS    <input type="checkbox"/> Increase in human trafficking    <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration    <input type="checkbox"/> Increase in vulnerability to natural disasters    <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts    <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>Social assessment to be conducted during TRTA will ensure these issues are considered and measures to address them are incorporated in finalizing project design.</p>
<p align="center"><b>VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p> <p>1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA 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?</p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p>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 TRTA or due diligence?</p> <p>The international and national social development/safeguards specialists will conduct poverty and social assessment, and due diligence on involuntary resettlement impacts. The international and national gender specialists will be hired for gender assessment and developing gender action plan.</p>

<sup>a</sup> ADB. 2014. *Country Partnership Strategy: Cambodia, 2014-2018*. Manila.

<sup>b</sup> ID Poor Atlas, Identification of Poor Households Cambodia, 2012. (No data for Kampong Thom).

<sup>c</sup> NGO Position Papers on Cambodia's Development in 2010-2012: Monitoring the Implementation of the National Strategic Development Plan and 2010 CDCF Joint Monitoring Indicators, Development Issues Program of the NGO Forum in Cambodia, 25 September 2012.

<sup>d</sup> ADB. 2015. *Initial Poverty and Social Assessment: Uplands Irrigation and Water Resources Management Sector Project in Cambodia*. Manila.