

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Cambodia	Project Title:	Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project
Lending/Financing Modality:	Project loan	Department/ Division:	Southeast Asia Department/Thailand Resident Mission

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General Intervention

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

In accordance with the Greater Mekong Subregion (GMS) Strategic Framework, 2012–2022, the GMS Tourism Infrastructure for Inclusive Growth Project will promote private sector-driven economic growth and foster skilled human resource development in the labor-intensive tourism sector. The project will contribute to the inclusive economic growth strategic objective of the Cambodia interim country partnership strategy (2014) of the Asian Development Bank (ADB), through physical infrastructure improvements and through enhancing regional integration, private sector development, and economic diversification. This is consistent with ADB support for Cambodia's current National Strategic Development Plan, which promotes the key development goals of (i) strengthening the private sector and attracting investment in tourism, and (ii) promoting small and medium-sized enterprises. The project's focus on last-mile access infrastructure, environmental services, and capacity building for small entrepreneurs is in line with government's sector strategy to help distribute economic opportunities from tourism more evenly across the country and generate more employment and higher incomes from tourism services and products.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues.

Cambodia has achieved progress in tackling poverty. Cambodia's national poverty rate has steadily declined from 47.8% in 2007 to 19.8% in 2011. a Poverty has been reduced against the backdrop of a steadily growing economy with the country boasting the world's 6th highest growth rate from 1998-2007. While inequality increased from 2004 to 2007, it fell again from 2007 to 2011. Rural poverty was 24.6% in 2009, higher than in Phnom Penh (12.8%) and other urban areas where 19.3% are poor. According to the international poverty line of \$1.25 per day (purchasing power parity), 18.9% of Cambodians were poor in 2009, however based on the national poverty line of \$0.93 in 2009, 22.9% of the population was poor. While poverty has fallen, vulnerability to poverty is very high, as many people have moved from just below to just above the poverty line: 30% of the Cambodian population falls between the \$1.25 and \$2 per day international poverty lines. A small shock can plunge many back into poverty. More inclusive growth and sustainable livelihoods for low-income and vulnerable households is needed. Tourism is a growing economic sector that contributes directly to poverty reduction by stimulating micro- and small-enterprise development and employment opportunities in a range of service professions that are accessible to poor and low-income populations. Official labor statistics show that tourism directly employs 330,000 people across the country; adding informal employment and self-employment would bring this figure much higher. Key to inclusive growth will be distributing the benefits of increased tourism revenue and jobs to other areas of Cambodia outside the traditional tourism hubs of Siem Reap and Phnom Penh.

The project will work in Cambodia's coastal provinces of Kep, Kampot and Koh Kong. All have good tourism resources; however past periods of conflict and poor infrastructure have prevented these provinces from benefiting from Cambodia's growing number of tourist visits. Women represent the majority of micro-entrepreneurs in the tourism sector and tourism creates many entry-level jobs for youth. The project will target micro- small- and medium-sized businesses and women entrepreneurs that could benefit from tourism but require training, business planning support, and access to affordable finance to secure employment and raise their incomes from tourism. A new international passenger pier in Kampot will bring more self-employment opportunities to Chum Kreal Commune that largely depends on salt production, animal-raising, fishery and rice farming. The environmental improvements in Kep's crab market and beachfront will boost incomes for many small low-income entrepreneurs and will reduce public health hazards for residents. In all provinces the project will strengthen community-based tourism enterprises and support rural women to identify and access tourism supply chains for local products such as salt, pepper, dried fish and crafts in order to more widely extend tourism benefits. According to the Commune Database (MOP and UNDP), predictive poverty rates for 2012 were 16.5% in Kep, 20.4% in Kampot, and 20.3% in Koh Kong.

2. Beneficiaries.

The project will directly benefit men and women living near upgraded tourist sites. About 61,200 people living in project areas

in the three project provinces will have increased access to economic opportunities from tourism and upgraded road access and environmental services. Women from low-income households that are supplementing farm livelihoods with food and beverage services/production stand to gain the most from the project interventions. The project will also boost tourism growth and spending in the participating provinces and districts, thus catalyzing additional private investment that will create more tourism-related jobs. Close to 800,000 people living in the three target provinces will indirectly benefit from increased tourism receipts and job creation from tourism.

3. Impact channels

The project will impact poor and vulnerable groups through the following channels (i) tourism retail enterprises have lower start-up costs and provide a means for the poor to diversify livelihoods from subsistence agriculture to income generation; (ii) the project will strengthen and where necessary establish community tourism groups (CTGs) to ensure that poor households have a voice in tourism planning and access to new jobs and retail opportunities created by the project; (iii) value chain analysis will inform and support enterprise development activities that assist fishing and farming communities produce and market local products to tourists; and (iv) the project will work with Departments of Women's Affairs (DWA) to ensure that women heads of households and the poor have equal access to skills training opportunities. Civil works contractors will be required to hire at least 30% local unskilled labor, of which 25% will be women.

4. Other social and poverty issues.

Project interventions will improve environmental conditions through development of wastewater treatment facilities at the Kep crab market as well as raise awareness on sanitation and hygiene. This will contribute to a cleaner environment and reduce public health hazards for 12,700 residents of Kep town, in particular women and children. The project will work to reduce social risks associated with tourism such as human trafficking, an issue of concern in Cambodia that will be addressed through awareness campaigns and collaboration between tourism businesses, government, law enforcement, and women's groups. With increasing rates of under-15 children working as their main activity, combating child labor is prioritized in the project's information and education campaigns.

5. Design features.

Complementary investments to improve access infrastructure, environmental services, and capacity building are designed to maximize creation of economic opportunities for micro-, small, and medium-sized enterprise development that benefits poor and low-income populations, with an emphasis on women and youth. The overall design contributes to inclusive growth by (i) increasing tourism's contribution to GDP and per-capita income from tourism; (ii) creating about 10,800 jobs in underdeveloped areas, at least 60% of which will be held by women; (iii) paving 6.5 km of roads in rural areas, improving access to markets and services for 12,000 people living in the road catchment area; (iv) improving wastewater treatment for a catchment area with 12,700 residents; and (v) providing at least 375 micro-, small, and medium-sized enterprise operators with business support services, including facilitating access to microfinance.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.

The project incorporates mechanisms in its design and institutional/implementation arrangements to ensure participation of a diverse range of stakeholder groups. The project will establish a national steering committee that includes representatives from different government agencies such as the provincial Department of Women's Affairs. Destination management organizations (DMOs) will be established and strengthened in districts and provinces, comprising at least 40% women on management committees, to set strategic directions for tourism planning. DMO members will include the private sector, nongovernment organizations (NGOs), and local government officials. The project will also establish CTGs and work with market and vendors associations that have men and women representatives from villages situated near the destination sites.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation.

The main form of engagement with civil society groups is through the creation and strengthening of DMOs and CTGs, and engaging them to (i) participate in decisions on infrastructure design, construction planning, and selection of equipment suitable for local conditions; (ii) promote collaboration with women's groups and NGOs in tourism training, outreach to vulnerable groups, and destination management.

3. Explain how the project ensures adequate participation of civil society organizations in project implementation.

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4. What forms of civil society organization participation is envisaged during project implementation?

M Information gathering and sharing H Consultation M Collaboration M Partnership

5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?

Yes. No.

The consultation and participation plan includes (i) mechanisms to ensure community and stakeholder consultation throughout the detail design of works; (ii) activities to promote accountability and transparency in contracting and fund disbursement and community involvement in monitoring of contractor services; and (iii) representation of women in DMOs and CTGs. Participation strategies are integrated into the gender action plan.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category:
Effective gender mainstreaming (EGM)

A. Key issues.

The labor force participation rate for Cambodia women is high at 76% (compared to 81% for men). Their share of wage employment in services has grown from 27% in 2008 to 37% in 2013 (compared to 50% in agriculture and 50% in industry). However, large numbers of women work in the informal sector and in temporary positions that are insecure and offer difficult working conditions and low earnings. Increasing education and skill levels to meet industry demands is a high priority for Cambodia's labor force development. d The net enrollment rate for lower secondary education was 34% in 2008, while upper secondary net enrollment was only 16%. Of the population aged 15 and over, 78% of women were literate in 2008, but only 10% of rural women aged 25 and over have completed lower secondary schooling. e

Tourism is an expanding sector that has the potential to offer new economic opportunities. For women to benefit from these opportunities, challenges to be addressed include their lower levels of education, perceptions of appropriate roles for women, and relief from heavy workloads for both productive and domestic work. Access to affordable credit is critical for women, in particular women who manage households and women with limited literacy or low education levels. When poorly managed and uncontrolled, tourism can lead to problems such as human trafficking, HIV and AIDS, drug trafficking, exploitation of children (including child prostitution and child labor) that put local populations, in particular women and children at risk for negative outcomes. Despite their active presence in service employment and income generating activities linked to tourism, women are under-represented in tourism planning and management at all levels. Representation within government tourism departments and agencies responsible for infrastructure and enterprise promotion is also low.

B. Key actions.

Gender action plan Other actions or measures No action or measure

The project has developed a gender action plan that includes measures to ensure that women equitably benefit from the project and do not experience negative impacts. Measures included in the plan address women's practical and strategic interests. These include (i) promoting women's participation in project management positions, steering committees, and institutional forums established for public-private-civil society collaboration on tourism planning; (ii) ensuring consultation with women on infrastructure design and requirements for contractors to hire women in construction jobs; (iii) providing training for women to produce local products to market to tourists; and (iv) tourism-related enterprise support and training in hospitality services to ensure they can access wage-employment opportunities. Appropriate time-saving technology/equipment for production activities will be introduced to reduce women's workloads. Awareness raising programs will help women recognize and avoid risks associated with human trafficking and child exploitation. The gender action plan specifies women will comprise at least 60% of jobs created by the project, 40% of tourism destination managers, and 60% of trainees in hospitality management training.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category A B C FI

1. Key impacts.

There will be no land acquisition required for the Kep Crab market environmental improvement subproject, including for the area for future installation of cold storage facilities in the crab market. This component will have minor resettlement impacts, i.e. temporary disruption of 33 businesses during the construction phase at Kep crab market. All women and men with stalls/shops at the project site will return to the improved shops/stalls after construction is completed. The land to be developed for the Kampot Pier subproject is in the process of being acquired by the Kampot Provincial Government in 2014 through voluntary donation from a wealthy land owner. Due diligence confirmed that this was done through consultation and an informed choice by the land owner

2. Strategy to address the impacts?

A resettlement plan has been prepared to address the minor land acquisition and resettlement impacts. The resettlement plans includes (i) compensation for temporary disruption of businesses/shops during construction, where such disruptions risk negatively impacting on affected person's livelihoods; and (iii) guarantees that all vendors renting or owing stalls at sites (and mobile vendors) will have an improved location to operate after the completion of civil works improvements.

Consultations have been carried out and will continue during project implementation.

3. Plan or other actions.

- | | |
|---|--|
| <input checked="" type="checkbox"/> Resettlement plan | <input type="checkbox"/> Combined resettlement and indigenous peoples plan |
| <input type="checkbox"/> Resettlement framework | <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework |
| <input type="checkbox"/> Environmental and social management system arrangement | <input type="checkbox"/> Social impact matrix |
| <input type="checkbox"/> No action | |

B. Indigenous Peoples

Safeguard Category A B C FI

1. Key impacts. Yes No

Broad community support is not triggered. There will be equal access to resources and opportunities for all residents in all project areas.

2. Strategy to address the impacts.

There will be equal access to resources, opportunities, and the project's capacity building programs for all residents in all project areas. Grievance redress will follow procedures outlined in the resettlement plan and information will be disclosed in accordance with ADB's Public Communications policy, and the provisions of the stakeholder communication plan and consultation and participation plan.

3. Plan or other actions.

- | | |
|---|--|
| <input type="checkbox"/> Indigenous peoples plan | <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan |
| <input type="checkbox"/> Indigenous peoples planning framework | <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework |
| <input type="checkbox"/> Environmental and social management system arrangement | <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary |
| <input type="checkbox"/> Social impact matrix | |
| <input checked="" type="checkbox"/> No action | |

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market.

L unemployment L underemployment L retrenchment M core labor standards

Risks in the labor market are minimal and relate primarily to the construction phase. Contractors will be required to hire local labor and apply Cambodia's Labor Laws and internationally recognized standards, including fair wages at market prices, equal pay for women, and no use of child labor.

2. Labor market impact.

Not relevant.

B. Affordability

In interviews, business owners indicated their willingness to pay for improvements to the wastewater treatment system at Kep crab market. The project will provide free connections to the new wastewater treatment system at and proposed activities will not increase costs for lower income households or mobile vendors.

C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):

M Communicable diseases M Human trafficking
 L Others (please specify) child exploitation

2. Describe the related risks of the project on people in project area.

Communicable disease and other social risks are rated medium because such risks are known to occur in association with tourism growth. Despite this association, the risks in this project are not rated high because the project includes specific activities in its capacity building programs to raise awareness on issues of health, HIV/AIDs, and human trafficking, as well as other social risks such as traffic safety and child exploitation. The activities include collaboration with communities, law enforcement, and the private sector to prevent negative social impacts.

VI. MONITORING AND EVALUATION

1. Targets and indicators:

1. Targets and indicators. Gender and social impact indicators are included in the DMF and include performance targets for increased employment and economic benefits for women, and ensuring women's participation in consultations and tourism planning. Additional social safeguard monitoring indicators are described in the various action plans.

2. Required human resources:

International and national consultants will be engaged to carry out resettlement monitoring. International and national gender specialists will support the executing/implementing agencies to implement, monitor, and update the gender action plan. Various consultants will be engaged to support inclusive tourism development with mandates to ensure that women and youth are benefiting from economic opportunities generated by the project.

3. Information in PAM:

Summaries of the safeguard requirements and references to the safeguard plans are described in the PAM. Measures to implement the GAP are also included in the PAM. Quarterly project progress reports will include a description of the physical progress, implementation status of resettlement plans and the gender action plan, and the status of consultation and participation.

4. Monitoring tools:

Baseline data for performance monitoring is included in the DMF. Additional information on poverty and social indicators will be collected shortly after project start-up to update baseline conditions. An end of project impact evaluation will be prepared. Safeguards monitoring and monitoring mechanisms of key performance indicators for economic, social and environmental aspects of the project will be integrated into the project performance management system.