

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Kingdom of Cambodia	Project Title:	Urban Water Supply Project
Lending/Financing Modality:	Project	Department/ Division:	Southeast Asia Department Urban Development and Water Division

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: General intervention

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

ADB lends support to phase 3 of the government's rectangular strategy on growth, employment, equity, and efficiency<sup>1</sup> which provides the overall framework policies guiding Cambodia's long-term sustainable development. ADB also supports the National Strategic Development Plan for 2014–2018, which add details to the overall strategy and gives priority to the development of physical infrastructure, including urban water supply. In line with this strategy and plan, ADB's proposed Urban Water Supply Project will expand and improve the capacity and quality of the water supply systems in nine towns and provide new connections. This will help meet the needs of women and poor households in the nine urban areas. By improving the efficiency of water services, the project will support the ADB's water supply and sanitation assessment, strategy and road map; ADB's country partnership strategy for Cambodia<sup>2</sup>, and the ADB Water Operational Plan, 2011–2020<sup>3</sup>. It will also advance the government's effort to provide 100% water supply coverage in Cambodia by 2025.

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

**1. Key poverty and social issues.** This project supports the government's goal of developing sustainable urban water supply infrastructure for urban populations that currently lack safe and reliable water supply. This includes low-income and poor people in households living on or below an average monthly income of \$195 or KR794,625. The project will help achieve poverty reduction and inclusive growth by offering a range of subsidized connections and lifeline water tariffs<sup>4</sup> to poor households and ensuring that they are not excluded from the project's benefits. Providing urban areas and residents with reliable and better quality water supply will improve health and living standards, the environment, and economic and livelihood opportunities. The project will also generate employment opportunities in IAs and during project construction for local people in the subproject towns, as well as training that will provide construction skills to women to increase their employment opportunities.

**2. Beneficiaries.** The primary beneficiaries of this project will be the estimated 551,000 existing and potential end users of the improved waterworks. This will include poor and vulnerable groups, such as people in households headed by women (with a high dependency ratio) and about 275,000 women who now suffer from inadequate and unreliable water supply or live in unserved areas. The project's major impact will be in Siem Reap, Stung Treng, Svay Rieng, and Kampong Cham, where about a total of about 11,600 households will be connected to the town's water supply system, benefitting about 58,000 persons in total.

**3. Impact channels.** The poor and vulnerable groups in Stung Treng, including indigenous people, will directly benefit from the access to a safe and sustainable water supply the project will provide. This will raise their health and living standards. Subsidized connections and lifeline water tariffs for the poor will reduce their financial burden.

**4. Other social and poverty issues.** Complementary IEC on hygiene and sanitation similar to Cambodia's WASH program is needed to fully realize the health benefits of reliable potable water supply for the beneficiary households. Future IEC intervention is needed in the nine subproject areas and will be addressed in the preparation of a standalone ADB capacity development TA project.

**5. Design features.** The project will finance improvements in such water supply facilities as new groundwater sources, new and rehabilitated water treatment plants, and pipelines to ensure that a greater quantity and higher quality of water is supplied to new and existing customers in the nine project towns. Existing underserved customers will gain improved access to a safe and reliable water supply, while existing customers will benefit from improved water services. The project's main strategy and measures for social inclusion of poor households include (i) providing access to subsidized connections of up to 100% for poor households, replicating the PPWSA policy in Phnom Penh but customizing it to suit the income levels in the subproject towns; (ii) lifeline tariffs to ensure affordability for poor and low-income households; and (iii) IEC training on how to apply for connection subsidies. The capacity of the EA, PMUs, IAs, and PIUs will be enhanced to ensure more effective delivery of water supply services. This will include gender awareness training, development of greater gender-sensitive policies, and provision for equal opportunities for training and employment of female staff in technical and professional fields.

<sup>1</sup> Royal Government of Cambodia. 2013. *Rectangular Strategy for Growth, Employment, Equity, and Efficiency – Phase III*. Phnom Penh.

<sup>2</sup> ADB. 2014. *Country Partnership Strategy: Cambodia, 2014–2018*. Manila.

<sup>3</sup> ADB. 2011. *Water Operational Plan, 2011–2020*. Manila.

<sup>4</sup> A lifeline or social water tariff is a subsidized block tariff with a volume corresponding to the essential minimum consumption required for a household's basic needs. This is typically 7-8 m<sup>3</sup> per month in Southeast Asia.

<b>II. PARTICIPATION AND EMPOWERING THE POOR</b>	
<p>1. Participatory approaches and project activities. The participatory approaches and proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation include the following: FDGs, IEC, and community and household consultation. This is reflected in the DMF, the loan agreement, and the project administration manual.</p> <p>2. Civil society organizations. Due to the nature of the project infrastructure and services, CSOs have a limited role in the project. They may be engaged to provide IEC training to raise awareness, particularly that of the poor, of how to apply for connection subsidies.</p> <p>3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):  <input checked="" type="checkbox"/> Information gathering and sharing (L)   <input checked="" type="checkbox"/> Consultation (M)   <input type="checkbox"/> Collaboration   <input checked="" type="checkbox"/> Partnership (M)</p> <p>4. Participation plan. A project participation plan has been prepared to strengthen the participation of water end user beneficiaries. Participation activities will include affected persons and women, the poor, and ethnic minority groups in particular.  <input checked="" type="checkbox"/> Yes.   <input type="checkbox"/> No.</p>	
<b>III. GENDER AND DEVELOPMENT</b>	
Gender mainstreaming category: effective gender mainstreaming (EGM)	
<b>A. Key issues.</b>	
<p>Given the traditional separation of gender roles in the subproject towns, women are primarily responsible for domestic chores, including the care of children, the elderly, and the sick; food preparation; schooling; and household water collection and sanitation. Cumulatively, these tasks increase women's time related poverty. The lack of reliable potable water supply increases this burden, since women and girls collect most of the household's water. While women are the main users of water in the household and manage household finances, they do not have a corresponding role in public water supply decision making. Hence, the project will involve women in IEC and consultation on subsidized connections and lifeline tariffs. The potential influx of workers during construction may increase the risk of the spread of HIV/AIDS and STDs. IEC HIV/AIDS and STD awareness will be provided by civil works contractors to mitigate the risks to both male and female partners. Given the limited female representation in urban water supply, equal opportunities for women in employment, training, and management will need to be promoted in civil works construction opportunities, positions on the staffs of EA/PMUs and IAs/PIUs, and skills upgrading.</p>	
<b>B. Key actions.</b>	
<p>The project is gender mainstreaming category II - EGM. The GAP promotes gender equality and women's empowerment through (i) at least 25% of the staff and 10% of the management positions in the EA, PMUs, IAs, and PIUs will be held by women receiving the same pay as males in similar positions; (ii) 10% of the employment in project construction and post-project O&amp;M activities will go to women who will have safe work working conditions and equal pay; (iii) 30% of the PMU staff members trained in planning, design, financial management, procurement, and operation and maintenance of project facilities will be women; (iv) all households, including those headed by women, will be able to apply for a connection subsidized up to 100%, along with lifeline water tariffs; (v) women will comprise at least 50% of the participants in project consultation meetings and FDGs on project design and implementation; (vi) be employed in project construction will receive training to upgrade their construction skills; and (vii) women will represent at least 50% of the CSOs and NGOs staff engaged in IEC awareness and training for all construction workers and local communities, on HIV/AIDS, STDs and communicable diseases, and on how to apply for connection subsidies. Capacity building will be undertaken for EA, PMUs, IAs, and PIUs in gender awareness and equal skills-upgrading training (with at least 70% male participation). In addition, a national gender and social development specialist will be employed in the PMU, supported by the PIA consultants gender specialists, to coordinate the implementation and monitoring of GAP with PWWs and PIUs; and ensure that sex disaggregated data will be collected for the PPMIS quarterly, midterm, and final reviews and the biannual GAP progress reports.</p> <p><input checked="" type="checkbox"/> Gender action plan   <input type="checkbox"/> Other actions or measures   <input type="checkbox"/> No action or measure</p>	
<b>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</b>	
<b>A. Involuntary Resettlement</b>	
<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
<p>1. Key impacts. The project is category C for involuntary resettlement, with no land acquisition or resettlement (LAR) impacts, based on the OM/F1 and ADB's Safeguard Policy Statement (2009).</p> <p>2. Strategy to address the impacts. Due diligence found that none of the subproject components will involve LAR impacts. Most of the infrastructure components for the subprojects are within existing waterworks. The work areas for new pipelines will be narrow and within road shoulders or easements that are part of existing rights-of-way that are free from encroachment. Any temporary impacts during construction, including other unanticipated impacts, will be addressed in accordance with the national laws and ADB's Safeguard Policy Statement. Civil works contracts will require the contractor to restore the rights-of-way area to its original condition after construction. A loan covenant is included in the loan agreement to specifically exclude LAR. The due diligence reports will be updated after detailed design to identify and confirm any temporary and/or unanticipated LAR impacts, and these will be addressed and mitigated in accordance with ADB's Safeguard Policy Statement.</p>	

3. Plan or other Actions.	
<input 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 checked="" type="checkbox"/> No action	
B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. The project is classified as category C for indigenous peoples, based on the OM/F1 and ADB's Safeguard Policy Statement.	
Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Strategy to address the impacts. All indigenous peoples will be entitled to apply for a subsidized household water connection and any other benefits that will accrue to the general population.	
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	
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>	
<b>A. Risks in the Labor Market</b>	
1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). Low (L).	
<input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards	
2. Labor market impact. Not relevant.	
Clauses requiring core labor standards, compliance with national labor laws and regulations, avoidance of discrimination in employment, and equal pay for equal work for women will be included in the bidding documents.	
<b>B. Affordability</b>	
Paying the connection fees is often a barrier to access to piped water supply for the poor. The project is supporting the establishment of connection subsidy (of up to 100% of the connection fee) for the poor and vulnerable. Subsidies will be based on household income levels and applications will be the assessed by each PWW.	
<b>C. Communicable Diseases and Other Social Risks</b>	
1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):	
<input checked="" type="checkbox"/> Communicable diseases <input type="checkbox"/> Human trafficking	
<input type="checkbox"/> Others (please specify) _____	
2. Risks to people in project area. The potential influx of workers during civil works construction may increase the risk of HIV/AIDS and STDs. To mitigate such social risks, contractors will be required to implement an awareness and prevention program in partnership with CSOs and NGOs. The program will be part of the EMP.	
<b>VI. MONITORING AND EVALUATION</b>	
Are social indicators included in the DMF to facilitate monitoring of gender and social development activities and/or social impacts during project implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>1. Targets and Indicators.</b> The key targets and indicators for poverty reduction and inclusive social development include (i) equal access to subsidized connections for all poor households; (ii) a 10% target for women's employment in project construction and post-project O&M; (iii) community participation in consultation on project design and implementation, with women making up 50% of the participants; (iv) at least 25% female staff in EA, PMUs, IAs, and PIUs with at least 10% females in the management at these entities with equal pay as male staff for similar positions; and (v) an increased number of women in skills up-grading and employment in technical and management positions in the EA, PMUs, IAs, and PIUs.	
<b>2. Required human resources.</b> A national social and gender specialist is to be appointed in the PMU and gender focal persons in the PIUs will coordinate the implementation and monitoring of the GAP and the project's social inclusion and poverty reduction targets and indicators. A safeguard monitoring expert will be engaged by the PMU to ensure compliance with ADB's Safeguard Policy Statement.	
<b>3. Monitoring and evaluation.</b> PPMIS quarterly, midterm, and final reviews, as well as a biannual GAP progress report to assess implementation progress.	

CSO = civil society organization; DMF = design management framework; EA = executing agency; EMP = environmental management plan; FDG = focus discussion group; GAP = gender action plan; IA = implementing agency; IEC = information, education, and communication; MDG = Millennium Development Goal; MIH = Ministry of Industry and Handicraft; NGO = nongovernment organization; O&M = operations and maintenance; PIU = project implementation unit; PMU = project management unit; PPMIS = project performance management and information system; PWW = public water works; WASH = water, sanitation, and health.

Source: Asian Development Bank