

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Cambodia	Project Title:	Uplands Irrigation and Water Resources Management Sector Project
Lending/Financing Modality:	Sector loan	Department/Division:	Southeast Asia Department/Environment, Natural Resources & 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 19.2% in 2011. Phase III of the Rectangular Strategy on Growth, Employment, Equity, and Efficiency (RS-Phase III) aims to reduce poverty further to around 15% by 2018. RS-Phase III provides guidance to ensure equitable and sustainable growth especially in the rural areas where 9 of 10 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 agriculture by supporting interventions that will shift agricultural value chains from being supply-driven to market-driven.

The proposed Uplands Irrigation and Water Resources Management Sector Project will support RS-Phase III and ADB's CPS by enhancing agricultural and rural economic productivity through improved management of water resources and increased efficiency of irrigation systems in the uplands of Battambang, Kampong Thom, and Prey Veng provinces. Since these are the same provinces of the ongoing Climate-Resilient Rice Commercialization Sector Development Project, it will provide interventions in new districts and those that are away from the Tonle Sap. At the same time, it will complement the Rice Commercialization Project's output on developing climate-resilient rice value chain infrastructure in these three major rice-producing provinces. The combined and cumulative effects of the two projects will contribute more to improving the productivity of agriculture sector which accounts for 34% of national GDP (2012) and will have greater impact in reducing rural poverty.

B. Targeting Classification

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

DMF indicators for two of three 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 Battambang, Kampong Thom, and Prey Veng provinces. In Battambang and Prey Veng, the poor comprise 34% and 27% of the province's population, respectively. Combined, the total number of poor households almost reaches 500,000. There is a risk that improvement of irrigation systems will cater mostly to landed farmers and households who are usually not poor. Lands serviced by secondary canals also need more efficient irrigation systems especially during the dry season.

Poverty incidence in Cambodia was at 19.2% in 2011 but most of the population is living just above the poverty line with 46.8% living on \$2 a day and 74.8% on \$3 a day. 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 PPTA or due diligence.

Two institutional/social development specialists will be among the PPTA 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.

N.A.

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."

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. A gender action plan will be prepared during PPTA.

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

Yes No

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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?

H Information generation and sharing **H** Consultation **H** Collaboration **N** 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 PPTA and incorporated in the project design.

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

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. Core subprojects with involuntary resettlement impacts will need resettlement plans at PPTA.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

- Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

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

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

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 PPTA.

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 None

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(L) Adhering to core labor standards(L) 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 Others, please specify _____

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

Social assessment to be conducted during PPTA will ensure these issues are considered and measures to address them are incorporated in finalizing project design.

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?

The international social development/institutional specialists will be in charge of conducting poverty and social assessment. The gender expert and safeguard specialist will be hired to look into gender and social safeguards, respectively.