



Initial Poverty and Social Analysis

Project Number: 41435
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Proposed Loan and Grant Cambodia: Tonle Sap Poverty Reduction and Smallholder Development Project – Additional Financing

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Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Cambodia"/>	Project Title:	<input type="text" value="Tonle Sap Poverty Reduction and Smallholder Development Project (Additional Financing)"/>
Lending/Financing Modality:	<input type="text" value="Project Additional Financing"/>	Department/ Division:	<input type="text" value="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

Cambodia's poverty rate has fallen from 47.8% in 2007 to 18.9% (14.45% in urban areas, 19.9% in rural areas) in 2012. More than 60% of poverty reduction was a result of positive developments in the agriculture sector. However, the number of vulnerable people has increased. Most people who escaped poverty did it by a small margin. The loss of only 1,200 Riels per day (\$0.3) would cause a dramatic increase of Cambodia's poverty rate back to 40% and as such it is essential to keep the agricultural growth rate at 5% per annum over the next 15 years to keep real farm incomes growing. Agriculture will continue to be a driving force in accelerating economic growth and reducing poverty, especially in rural areas. The Government's poverty reduction strategy paper also emphasizes the role of agriculture and rural development in poverty reduction. Rapid agricultural transformation is the only way out of extreme poverty in the Tonle Sap Basin provinces. The proposed project will help reduce poverty in the project area, which is the home of more than a third of the country's population. Innovative ideas for poverty reduction will be tested in pilot schemes for possible replication in other parts of the country.

B. Poverty Targeting:

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

About 91% of Cambodia's poor people live in rural areas. The project will target IDPoor 1 (the poorest) and IDPoor 2 (the second poorest) in the rural areas of the 7 provinces in Cambodia. IDPoor 1 and IDPoor 2 are defined under the Identification of Poor Households Programme, led by the Ministry of Planning (MOP) in collaboration with the Department of Local Administration (DOLA) of the Ministry of Interior. Details can be found at <http://www.mop.gov.kh/projects/idpoor/tabid/154/default.aspx>

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Smallholder farmers, fishers, livestock operators, rural women involved in farm, off-farm, and nonfarm production, processing, trading, and service-related activities are the potential beneficiaries of the project. Poor ethnic minorities and socially excluded groups will gain improved access to inputs, technology, and markets, together with enhanced employment opportunities.

2. Impact channels and expected systemic changes.

The beneficiaries would need (i) improved land, water, labor, and capital productivity; (ii) access to improved technology and markets; and (iii) access to information and communication technology (ICT). Beneficiaries producing and processing for supply to markets would need knowledge and extension services for compliance with food safety and quality requirements. Below is a summary of how the project will address the potential constraints in accessing proposed benefits and services.

a. Increased Factor Productivity. Inadequate facilities, and lack of extension knowledge and information-delivery capacity at the provincial and commune level, are major hindrances. The project will overcome these obstacles through provision of extension and training services on improved cropping pattern, crop rotation, and farming systems, focusing on environmental sustainability and market demands.

b. Improved Access to Products and Financial Markets. Lack of outreach, credit management, and capital base and savings mobilization are the main constraints in the financial markets. Obstacles preventing access to product markets include poor communications, and poor processing and storage infrastructure in some of the areas covered by the project. The project will support improvements of such infrastructure as farm-to-market roads and community-based storage facilities.

c. Development of Rural ICT. A lack of backbone infrastructure for ICT and unreliable power supply can become a constraint to access to and application of ICT by smallholders and rural households. The cooperation with private sector on satellite networks will be promoted through the project.

d. Disaster risk management. Rural Cambodia and the agricultural sector in particular are severely impacted by recent disasters such as floods and droughts. The project will provide capacity building to commune councilors and communities in disaster risk management, and make sure that design of the project infrastructure takes into consideration climate resilience and disaster risk reduction.

3. Focus of (and resources allocated in) the PPTA or due diligence. A summary poverty reduction and social strategy (SPRSS) has been conducted under the current project. During the PPTA, the current project resources will finance an international social safeguards specialist and a national safeguards specialist to update the SPRSS to include scope of the additional 74 communes in the AF, in accordance with the Asian Development Bank's relevant guidelines on poverty and social development, and standard practices. Available studies and reports on the poverty situation in Cambodia will be reviewed and complemented by participatory rural appraisals to be carried out in the potential project communes.

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?
Women in the project area are engaged in rice planting and rice harvesting, cultivation of cash crops, raising of livestock, and collection of feed. Women and girls collect most of the fuelwood, prepare and cook food, and are the primary caregivers for young children, the infirmed, and the aged. Women on average have longer work days than men, and have less time to pursue village and commune public affairs.

The social and poverty assessment conducted during project preparation of the current project found that up to 60% of cash income in many households is derived from market-based activities. Further, it found that women play a more important role in market-based activities, especially local market-based activities, than rural men. Most women interviewed are seeking to develop alternative livelihood opportunities. Typical activities engaged in by women include krama weaving and mat making, food processing, small grocery shops, village-based "fast food" restaurants, dressmaking, and beauty services. However, they are also involved in some nontraditional activities for women such as appliance and vehicle repair, masonry and plumbing work associated with the construction of latrines.

The current project also indicated that women play a very important role in all livelihood improvement groups. The following lessons from current project will be taken in to consideration when drafting the new GAP: there is a need to (i) strengthen capacity of EAs/IAs for GAP implementing, monitoring and reporting, sex-disaggregated data collection and analysis, (ii) increase the time input for the gender specialist and ensure that they are on board at the start of the project implementation, (iii) assign gender focal point at national and sub-national levels to oversee GAP implementation and data collection, and (iv) provide EAs and IAs with proper orientation and guidance. At the end of 2015 MAFF launched a National Gender Policy and Strategy for Agriculture and the new GAP will be aligned to the gender priorities set out in this policy. Furthermore the project will endeavor to engage with the MAFF Gender Mainstreaming Action Group to help build ownership and capacity to operationalize the gender policy.

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 Please explain.

The improved access to technology, information, and market will enhance women's participation in production, processing, and marketing. The gender action plan of the current project will be updated.

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

Yes No The ICT and improved market access are new drivers for improving productivity in the rural areas. The AF will ensure that training and infrastructure are women-friendly.. The AF will design targeted activities for women and/or girls to benefit from ICT and extension services.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) 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.

Ministry of Agriculture, Forestry and Fisheries, Ministry of Rural Development, National Information and Communication Technology Development Authority, Supreme National Economic Council, provincial authorities, commune councils, civil society and nongovernment organizations, farmers, traders, processors, microfinance institutions are initial stakeholders in the project. Consultation workshops, meetings and focus group discussions will be organized during the PPTA.

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 preparation process will involve a wide range of key stakeholders, including many ministries and agencies, development partners, nongovernment organizations, and community-based organizations at critical milestones during the PPTA.

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?

N Information generation and sharing **H** Consultation **N** 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

Particular issues that require participation of the poor and excluded include: (i) criteria for selection of subprojects, including disaster risk reduction; (ii) strengthening and establishment of livelihood improvement groups; (iii) selection of non-rice crops for support; and (iv) development of agribusinesses.

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 Subprojects with potential resettlement impact will be screened out. Individual or communities may make voluntary donations in exchange for benefits from infrastructure provided by the project in accordance with procedural guidelines for confirming resettlement impact. However, such infrastructure is determined through community consultation, facilitated by the project commune facilitation team, and not location specific.

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

Appropriate action is to be determined during PPTA.

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 Rural connectivity and improved quality of their agricultural products will improve ethnic minority populations' access to markets.

3. Will the project require broad community support of affected indigenous communities? Yes No Special attention will be given during planning and implementation of commune development model and training programs to ensure (i) ethnic minority people are accorded the same opportunity to participate in planning and training programs; (ii) ethnic minority people receive equitable access to inputs and credit, livelihood opportunities, and social services; and (iii) indigenous knowledge and practice is utilized in designing training programs.

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

Appropriate action is to be determined during PPTA.

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 Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?
 Additional employment will be generated from infrastructure construction. Job will increase as a result of the project's technical training regarding livelihood improvement, and on- and off-farm activities.

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 (v) 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?
 During the PPTA, an international social safeguards specialist, a national social safeguards specialist, will be mobilized to conduct poverty, social and/or gender analysis, and participation plan, using current project resources. The national social safeguards specialist will prepare a gender assessment for women and men smallholder needs, support the development of the new SPRSS and GAP for the AF, and capacity building for EA/IA gender focal points, and M&E specialists. The current project also has a social development and gender specialist who is already on board to provide support on gender issues during the PPTA.