

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Cambodia	Project Title:	Tonle Sap Poverty Reduction and Smallholder Development Project – Additional Financing
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Lending/Financing Modality:	Additional Financing	Department/Division:	Southeast Asia Department/ Environment, Natural Resources and Agriculture Division
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I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty Targeting: targeted intervention—geographic

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

Cambodia is classified as a least-developed country by the United Nations and it has committed itself to graduating from this status in the near future.^a The need to accelerate rural development to reduce poverty is well recognized and has been prioritized in Cambodia’s Second Socio-economic Development Plan, 2001–2005, which is the basis for the 2005 Poverty Reduction Partnership Agreement between the government and the Asian Development Bank (ADB). The Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase III is being implemented and it reaffirms the government’s strong commitment to sustainable development and poverty reduction. Through the National Strategic Development Plan 2014–2018, the National Social Protection Strategy for the Poor and Vulnerable (2011), the National Strategy for Food Security and Nutrition (2014), and the Rectangular Strategy Phase III, Cambodia aims to reach a national poverty reduction target of 1% per year. The Tonle Sap Poverty Reduction and Smallholder Development Project additional financing is in line with these strategies and the ADB country partnership strategy for Cambodia.^b

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

1. Key poverty and social issues. Cambodia had a total population of about 15 million in 2015, with a population growth rate of 1.79%. The country’s rural population accounts for about 79% of the total (12 million). About 22% of the total households in Cambodia are headed by women. Official poverty lines introduced in 2013 show that the national poverty rate fell sharply from 53% in 2004 to 18% in 2012 and the rural poverty rate dropped from 53% in 2007 to 20% in 2012. ^c However, the number of vulnerable people remains high; the loss of only \$0.30 per day would bring Cambodia’s poverty rate back up to 40%. Further, the provinces targeted by the additional financing all fall below this rate of 20%, and some belong to the poorest 10 provinces in the country. In 2011, 10% of the population was classified as living in extreme poverty (defined as those people living on less than \$1.25 per day), which was down from 31% in 2007. About 70% of employed women and 59% of employed men are considered to be practicing vulnerable employment (note c). Poverty tends to be more prevalent in less educated and larger households. The Ministry of Planning has grouped poor households into ID Poor 1 and ID Poor 2 classification. These households are included in the selection criteria for livelihood improvement groups (LIGs) to benefit from the additional financing.

2. Beneficiaries. The project will directly improve the livelihoods of 75,000 rural households, and indirectly benefit a further 400,000 households through improved roads, and disaster risk reduction. Most of the project beneficiaries have been the poor or vulnerable, given that: (i) the rural poverty rate is higher than in urban areas, (ii) there is a higher poverty rate in the project’s target provinces, and (iii) the targeting methodology focuses on the poorest villages. Many of the households that have been classified as no longer being poor are still extremely vulnerable. New livelihood options will lead to an improvement in the health and nutritional status of households (especially for children and the elderly) and reduce the risk of them falling back into poverty because of medical expenditure. The additional financing will not have any significant adverse impacts, as the potential adverse impacts identified during the project preparation have been eliminated or mitigated through the project design.

3. Impact channels. The additional financing will improve livelihoods and resilience in target communes in the Tonle Sap Basin and will contribute to long-term national economic development. It will also assist Cambodia to increase its agricultural production, strengthen climate resilience, and improve market access in 271 communes. The additional financing will facilitate economic investments in the area through improved agribusinesses, rural access roads, markets, irrigation systems, and networking through modern information and communication technology.

4. Other social and poverty issues. In the target provinces, on average more than 50% of the people in rural areas are unable to grow enough rice to meet their own needs. Out of this group, half suffer from shortfalls for up to 3–4 months a year. Many rural farmers experience unemployment, leading to both rural–urban and cross-border migration. In some communes, illness, a lack of safe drinking water, and livestock epidemics have been identified as main factors that place people in a vulnerable position, rather than food shortages. Many individuals do not have access to microfinance institutions and they borrow money from local money lenders at unregulated high interest rates. Poverty, measured in terms of food security and low income, is correlated with a lack of infrastructure to increase agricultural production and diversification. Furthermore, people experience limited market access, technology, extension services, training, as well as a low level of education and skills. The project will support community-driven infrastructure at the village level so as to augment food security and increase market access.

5. Design features. Project design is based on poverty indicators. Poorer communes will be included as part of the selection criteria for project interventions. Through this process, members of poorer households will be given preference in the selection of beneficiaries to participate in the project’s activities.

II. PARTICIPATION AND EMPOWERING THE POOR	
<p>1. Participatory approaches and project activities. The additional financing preparation process aimed at developing a consensus on the proposed project design, and the necessary policy and institutional measures for effective implementation. It involved a wide range of stakeholders, including representatives of many ministries and agencies, development partners, nongovernment organizations (NGO), and community-based organizations at critical moments. Direct community participation of the subproject beneficiaries was conducted during 7–31 March 2017. The participation of the communities will continue to be the main way that the stakeholders influence and become jointly responsible for development initiatives and decisions that affect them. The project will involve at least 40% of female participants. A consultation process will be carried out before deciding on the types of infrastructure, and its locations and design. In particular, affected persons will be fully informed that they have the right and the option not to opt for voluntary donation. Whenever necessary, separate meetings will be organized for affected persons and/or women and members of ethnic minority groups so that they are able to express their preferences.</p> <p>2. Role of civil society. The project has included civil society in its planning and design. Civil society may be consulted on various livelihood development activities and will be invited to join the bidding process for special service providers.</p> <p>3. Civil society organizations. The project will collaborate with NGOs and women's organizations such as the Women Farmers Network, particularly relating to capacity building for women farmers. NGOs will be consulted and may be hired as special service providers to implement the community-based financial management, value chain services, and disaster risk reduction activities.</p> <p>4. 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): (M) Information gathering and sharing (M) Consultation (M) Collaboration (M) Partnership</p> <p>5. Participation plan. <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>The need for rural infrastructure will be identified and prioritized through the decentralized 11-step commune planning process to prepare commune investment plans. This is a participatory process that involves communities in identifying their needs, and ensures their direct involvement in resource allocation, decision making, implementation, and monitoring at the local level. Under the additional financing, a commune mobile access worker will be mobilized in each commune to help commune councils design and manage project interventions.</p>	
III. GENDER AND DEVELOPMENT	
Gender mainstreaming category: Effective Gender Mainstreaming	
A. Key issues.	
<p>Women in the project areas are engaged in rice planting and rice harvesting, cultivating cash crops, raising livestock, and collecting feed. Women and girls collect most of the fuel wood, prepare and cook food, and are the primary caregivers for young children, the sick, and the elderly. In Cambodia, women play a more important role in market-based activities, especially local market-based activities, than rural men. Rural women generally have joint access to and control of land and capital together with their husbands, and are solely responsible for managing finances for the household. Women represent 60% of agricultural cooperative members, and they run over one-third of all fruit and vegetable processing enterprises and almost half of all wholesale agricultural raw materials. From those interviewed, women are seeking to develop alternative livelihood opportunities including animal husbandry and vegetable cropping. They are aware of their own technical shortcomings because of fewer opportunities to participate in agricultural training than men but they express an eagerness to learn new techniques.</p>	
B. Key actions.	
<p><input checked="" type="checkbox"/>Gender action plan <input type="checkbox"/> Other actions or measures.</p> <p>The additional financing will promote gender equality and women's empowerment through enhancing women's capacity in climate-smart agriculture production and processing, entrepreneurship, resilience to climate change and disaster risks, access to basic financing, training and skill development, and interactive information and communication technology support in marketing. Women will be targeted for employment in construction/rehabilitation and operation and maintenance of infrastructure supported by the additional financing. Moreover, women's meaningful participation in decision-making positions in the LIGs, market improvement groups, and service teams will be supported. Training will ensure a high competence in climate-resilient rice husbandry, other crop or livestock husbandry, and small-scale processing, and also in finance, marketing, small business management, and entrepreneurship. A gender action plan was prepared, which includes gender actions, performance indicators, and targets to promote women's voice and active participation in all project activities. These include (i) at least 25% unskilled workers employed in the additional financing are women, (ii) at least one woman to be elected to join each management committee of the new LIGs and service teams, (iii) at least 60% of rural loans are taken by women, (iv) commune councilors from target communes have received training on gender-responsive disaster risk management, (v) at least 200 agribusiness enterprises (30% owned by women) such as chick production and feed production are operational, and (vi) at least 40% of market improvement group and paddy selling group members are women.</p>	
IV. ADDRESSING SOCIAL SAFEGUARDS ISSUES	
A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> F1	
1. Key impacts.	

<p>Subprojects with potential resettlement impact will be screened out. All infrastructure development will only involve rehabilitation and improvement of existing roads or irrigation systems. Individuals or communities may make voluntary donations in exchange for benefits from infrastructure provided by the project in accordance with a resettlement framework. Such infrastructure is determined through community consultation.</p> <p>2. Strategy to address the impacts. None.</p> <p>3. Plan or other Actions. <input checked="" type="checkbox"/> Other actions <input type="checkbox"/> Resettlement plan <input type="checkbox"/> No action</p>				
B. Indigenous Peoples Safeguard Category:				
<input type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> F1	
<p>1. Key impacts. Beneficial impact. Rural connectivity and improved quality of agricultural products will improve the ethnic minority populations' access to markets.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Social impact assessment conducted in Prey Veng and Kampong Cham provinces during 7–13 March 2017 revealed that all consulted communities support the project.</p> <p>2. Strategy to address the impact. An indigenous peoples planning framework is required. Government database shows that 9 out of 271 communes include ethnic minority households (2,053 households in 24 villages) in Siem Reap and Kampong Thom. Screening checklists will be used to ensure that subprojects do not impact negatively on indigenous peoples in terms of socio-cultural beliefs and livelihood systems. The additional financing will not acquire lands traditionally used by indigenous peoples. In case ethnic minority peoples are identified and adverse impacts expected, an indigenous peoples plan will be prepared.</p> <p>3. Plan or other actions. Indigenous peoples planning framework and indigenous peoples screening for subproject proposal.</p>				
V. ADDRESSING OTHER SOCIAL RISKS				
A. Risks in the Labor Market				
<p>1. Relevance of the project for the country's or region's or sector's labor market.</p> <p><input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards</p> <p>2. Labor market impact. Core labor standards (CLS) requirements will be included in the civil works bidding documents and contracts. Orientation on ADB's Safeguard Policy Statement (2009) and strict adherence of the contractors to the CLS (no child labor, equal pay for equal work, safe working conditions, etc.) will be provided to the contractors for civil works. Implementation consultants will assist the project to ensure that all labors have full information about CLS, contractors keep accurate records on compliance with CLS and report these through quarterly progress reports to ADB.</p>				
B. Affordability Not applicable				
C. Communicable Diseases and Other Social Risks				
<p>1. The impact of the following risks are rated as high (H), medium (M), Low (L), or not applicable (NA):</p> <p>L Communicable diseases and L Human trafficking</p> <p>2. Risks to people in project area. Improved access through road development may lead to increased traffic speeds and traffic and is associated with increased risk of road accidents. Community-based road safety awareness activities are included in the project, focusing on highly frequented areas such schools, markets, and clinics. Improved market access may lead to agriculture price fluctuation.</p>				
VI. MONITORING AND EVALUATION				
<p>1. Targets and indicators. Project targets and indicators include (i) increased average rice yields to 3.5 tons/hectare (ha); (ii) increased average rice yields of poor households to more than 3.5 tons/ha for wet season; (iii) diversified farming systems reduce share of household income from rice by 20%; (iv) marketed farm and off-farm products increased by 25%; and (v) disaster risk reduction planning adopted in all vulnerable communes by 2024.</p> <p>2. Required human resources. (i) baseline surveyors; (ii) social development and gender specialist (30 person-months [p-m]), monitoring and evaluation (M&E) specialist (32 p-m); (iii) government staff gender focal points (full time) at both the Ministry of Agriculture, Forestry and Fisheries (MAFF), and the National Committee for Sub-National Democratic Development Secretariat.</p> <p>3. Information in the project administration manual. The project administration manual describes the project performance management system, including the design and monitoring framework, quarterly and annual reports, midterm review, project completion report, and independent evaluation and audit.</p> <p>4. Monitoring tools. The project will develop an integrated project performance monitoring system for both executing agencies to monitor activities undertaken under their respective responsibilities. MAFF will provide quarterly and annual progress reports to ADB. ADB will conduct semiannual reviews for compliance and safeguards monitoring throughout project implementation. Gender indicators and monitoring will be included in the overall project M&E system by both executing agencies, and amalgamated in the central database by MAFF.</p>				

Source: Asian Development Bank.

^a ADB, United Nations Economic and Social Commission for Asia and the Pacific, and United Nations Development Programme. 2013. *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda*. Manila.

^b ADB. 2014. *Country Partnership Strategy: Cambodia, 2014–2018*. Manila.

^c ADB. 2014. *Cambodia: Country Poverty Analysis*. Manila.