

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC19281

Date ISDS Prepared/Updated: 29-Jun-2016

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Cambodia	Project ID:	P153591
Project Name:	KH - Livelihood Enhancement and Association of the Poor Project (LEAP) (P153591)		
Task Team Leader(s):	Mudita Chamroeun,Erik Caldwell Johnson		
Estimated Appraisal Date:	04-Aug-2016	Estimated Board Date:	06-Oct-2016
Managing Unit:	GFA02	Lending Instrument:	Investment Project Financing
Financing (In USD Million)			
Total Project Cost:	20.00	Total Bank Financing:	20.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			20.00
Total			20.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective (PDO) is to help improve livelihoods of targeted poor households in selected provinces and communities.

C. Project Description

The proposed project will support rural and urban poor communities through the enhanced provision of livelihood support services and basic infrastructure. A participatory approach to group formation, needs identification and support activity planning will be applied following the CDD principles.

The proposed project will build on the successful pilot activities, incorporating lessons-learned and

the results of two independent evaluations, adapting activities to support urban and peri-urban project communities. Activities would be adjusted to reflect the changed conditions since the end of the pilot phase in September 2012.

The proposed project will have 4 main components.

- Component 1: Building and Strengthening Institutions of the Poor
- Component 2: Supporting Income Generation
- Component 3: Basic Services and Infrastructure
- Component 4: Project Management, Coordination, and Monitoring & Evaluation

Activities under the 4 components will be adapted and detailed for implementation in rural and urban environments respectively. There would not be specific rural and urban poor components but the project would build on rural pilot experiences and have the proposed project adapt activities for rural and urban communities respectively.

Project Components:

Component 1: Building and Strengthening Institutions of the Poor (US\$ 4million)

Building on the experience of supporting 100 SHGs supported during the pilot phase, the objective of this component would be to mobilize and build self-managed, and financially sustainable community based institutions of the poor through a participatory process. The core institutions created will be Self-Help Groups (SHGs) built around common economic interests. In rural communities, these groups will mostly form around agriculture-based livelihood activities, in urban environments, saving and credit, and other common interests will unite groups. Based on the need and opportunity, the project would also support federating SHGs to the commune level to establish "Commune Level Federations" (CLFs), which would perform a financial function as well as economic support services for the producer groups. Depending on the scope of the SHGs, they might form or become part of an Agriculture Cooperative (AC), which would open the possibility for further public and private support offered by RGC and other development partners. The specific activities of Component 1 will be (a) financing NGO partners and a team of community facilitators for social mobilization; (b) training and capacity-building support for each of the community-level institutions; (c) training and financing of a cadre of Community Professional (CPs); (d) start-up supplies and equipment for the community-level institutions; (e) development and use of strategic information, education and communication (IEC) materials.

Component 2: Supporting Income Generation (US\$ 8million)

The main objective of this component would be to increase the income generated by poor households by improving their access to financial services and resources and skills needed for small enterprise growth and improved employment. Activities would include seed grant financing to SHGs and CLFs, support to engage with partner commercial banks and MFIs, value-chain linkages (e.g. middlemen, buyers, suppliers, processors, or directly with consumers), vocational training and job linkages. The specific activities of Component 2 will include (a) identification of market opportunities for rural and urban SHGs and individual members; (b) farmer training and technical assistance to improve production and delivery techniques; (c) marketing research studies; (d) seed capital to producer associations to set up basic organizational structures; and (e) specialized value chain support to producer associations through contracts and marketing tie-ups with private sector agencies. Co-

financing of small-scale economic infrastructure (storage facilities, agro-processing, packaging and delivery channels) could also be undertaken on a demand-driven basis.

Component 3: Basic Services and Infrastructure (US\$ 6million)

The objective of this component is to improve the quality and availability of basic social and economic services and infrastructure for poor and vulnerable communities. Activities would focus on the upgrading or rehabilitation of small-scale infrastructure and services, which contribute to improved income generating potential for poor households. Specific activities could include storage facilities, small roads/footpaths, water supply and sanitation, education/training facilities, among others, to be identified during preparation. Where communities identify gaps in basic infrastructure as a major constraint to livelihood improvements, the project could fund rehabilitation activities or upgrading and expansion of small scale but critical infrastructure. Where project resources are not sufficient for coverage of identified critical needs, the village/community development planning process will be supported to have necessary investments included in the commune/sangkat development and investment plans. The Component will fund planning processes and required technical assistance. It will also finance implementation costs for capacity building, training, and the implementation of small-scale infrastructure projects.

Component 4: Project Management, Coordination, and Monitoring & Evaluation (US\$ 2million)

This component would facilitate overall co-ordination, implementation, financial management, and monitoring and evaluation of the project at national provincial, khan, commune, and village/community levels. It would include setting up and strengthening provincial and municipality level project units, providing office infrastructure and logistic support, and setting up monitoring, auditing, and evaluation and learning systems.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The proposed IDA credit is \$20 million. The main project implementing agency will be Ministry of Interior (MoI), with the Ministry of Agriculture, Forestry and Fisheries (MAFF) providing substantial technical support to improve agriculture, livestock, fisheries and other livelihood activities' management practices. Substantial progress has been made on the preliminary design of the project and its geographical coverage. The rural coverage of the project beneficiaries in the Siem Reap province would include poor households within the originally piloted targeted 50 communes and the final target urban poor communities in Phnom Penh to be supported will be selected from a the need assessment list of urban poor communities in the Phnom Penh area, prepared based on PPC's criteria.

E. Borrowers Institutional Capacity for Safeguard Policies

Capacity of the Both National and Sub-National level on Bank Safeguards. The Bank assessed Siem Reap province and Phnom Penh Capital's capacity to implement and monitor the environmental and social safeguards. There are 45 officers under Department of Environment of Siem Reap Municipality. About 3-4 officers are technical level. At Phnom Penh Capital there are 70 officers under the Department of Environment. 12 officers are responsible to prepare and monitor the Environmental Impact Assessment (EIA) and Initial Environmental Examination (IEE). Phnom Penh Capital has proven experience in environmental and social impact assessment and monitoring. They have experienced in preparing and implementing the Environmental and Social Safeguard Framework from the ADB funded project. However, both Siem Reap and Phnom Penh Capital have

limit experience on the Bank safeguard policies. As the project will involve small scale infrastructure, the project activities will likely have minor impacts. Due to the limited experience of the municipalities on the Bank's safeguard policies, the Bank team will provide safeguard training to municipalities' staff to familiarize them with the Bank's safeguard policy. Siem Reap and Phnom Penh Capital have already assigned environmental and social safeguard officers for the rural poor and urban poor aspects of the project to be safeguard focal points during project preparation and implementation period. They will be responsible for preparing the environmental and social safeguard tools.

F. Environmental and Social Safeguards Specialists on the Team

Bunlong Leng (GEN2B)

Juan Martinez (GSU02)

Waraporn Hirunwatsiri (GEN2B)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	From the lesson learnt from the previous LEAP pilot projects, the activities implemented in the pilot communes included livestock raising, vegetable farming, rice cultivation, fishery, rice mill, home business including home-made bakery, and fertilizer shop, etc. The environmental impacts from the pilot activities can be summarized as air/odor quality from rice mill and livestock raising, soil erosion, usage of pesticides, fertilizers, and/or chemical substances, pollution of surface water and ground water resulting from the rural livelihoods interventions. For urban poor, public infrastructure such as water supply, sewerage system and road maintenance may be required. The proposed project will consider funding small-scale infrastructure where identified by communities as priority needs. No major road construction activities will be supported, however, where road rehabilitation is expected to have significant positive impact on a larger poor community, the proposed project might consider. Investments could be made by groups or the proposed project in storages or small warehouses, community wells or simple on-farm irrigation equipment, household water supply improvements and sewerage and latrines, amongst other. Given the small scale nature of these activities the impacts from Basic Services and Infrastructure and income generating activities are minor, temporary, site specific and can be managed through proper mitigation measures, the project is proposed as category "B" as certain mitigation measures and

		monitoring actions will have to be implemented during the civil works in order to minimize, prevent and reduce possible temporary and site specific impacts on the environment. Social Assessment (SA) will be conducted to ensure the project activities will address communities' needs according to the socio-economic aspects taken into an account gender and vulnerable groups. ESMF from the previous LEAP project will be updated to ensure that the environmental and social impacts are appropriately addressed and in compliance with the national environmental laws/regulations and the World Bank Safeguard Policies prior to project appraisal.
Natural Habitats OP/BP 4.04	TBD	The LEAP project as well as proposed sub-projects which will be proposed may include a minor sub-grant facility to producer group or their association to create small scale productive infrastructure (e.g. post-harvest processing equipment, storage facilities and poultry shed, etc.). These activities may affect the natural habitats, protected areas and biodiversity. However, an environmental screening checklist will be prepared to avoid project activities not to impact the protected area and natural habitats in Siem Reap. More detailed information about the project activities and protected area and natural habitats within or nearby 50 communes during project preparation will be identified if this policy will be triggered.
Forests OP/BP 4.36	TBD	Small scale rural infrastructure and civil works such as irrigation system and reservoir may affect the forest in project area. This need to be confirmed during project preparation. More detailed information of the forest in the project area will be identified if this policy will be triggered.
Pest Management OP 4.09	TBD	Limited negative impacts on water quality may occur due to unsustainable farming practices and usage of chemical pesticides. Some rural livelihood interventions would possibly involve agricultural production, which may lead to agricultural intensification and eventually the usage of pesticides. Based on the LASED experience and the discussion with three of the 6 LEAP pilot communes, it is unlikely that the farmers will use chemical fertilizer and prohibited insecticide/herbicide due to its high cost. However, their rice cultivation and vegetable farming may lead to pesticides usage in the future. Although the project will not promote purchase/use / promote an increase use of pesticides, to the task

		team will confirm triggering this policy during the project preparation and a pesticide management plan (PMP) could be included in ESMF.
Physical Cultural Resources OP/BP 4.11	Yes	As project may finance rural infrastructure such as irrigation system and reservoir for agricultural purposes, etc., which may impact on unknown, physical cultural resources as defined by OP/BP 4.11. Therefore, Physical Cultural Resources policy should be triggered due to the project's location is in Siem Reap, a province of major cultural heritage. A chance find procedure of physical cultural resources will be integrated as part of ESMF.
Indigenous Peoples OP/BP 4.10	TBD	As part of project preparation, more detailed screening process will be conducted through the social assessment to identify whether indigenous peoples are present in, or have collective attachment to the project area. The Social assessment will cover the proposed original envisaged 50 communes and the targeted communities in Phnom Penh. If presence of Indigenous Peoples is confirmed an Indigenous Peoples Planning Framework will be prepared with a free prior and informed consultation with affected indigenous peoples at each stage of project preparation.
Involuntary Resettlement OP/ BP 4.12	Yes	There is a potential that some type of land acquisition could happen - mainly in a form of land donations. Small pieces of land for the benefit of communities for purposes such as small grain storage, cattle sheds, among others; also for the proposed activities under component 3 related to finance basic public infrastructure and services provision (upgrading of roads, water supply and sewerage systems, improving education and training facilities, and other small-scale investments). Appropriate resettlement instruments (RPF, RAP, etc.), including land donation protocols should be prepared for the following reasons: because the LEAP project is embedded in a community driven development model whereby local communities/ groups of households (the SHGs) will be making decisions regarding the types of interventions they seek since these may require land donations and the acquisition of land; also for the urban support activities, the proposed assessment of urban poor communities should provide more detailed information. For these reasons, the OP 4.12 is triggered.

Safety of Dams OP/BP 4.37	TBD	The project will not support construction or rehabilitation of dams nor will support other investments that rely on the services of existing dams. However, it will be confirmed during project preparation if the project would finance the construction of small wiers that will regulate the flow of small creaks which may be classified as dams. The wiers to be built that are classified as "small dams" as defined in the policy will require generic dam safety measures designed by qualified engineers.
Projects on International Waterways OP/BP 7.50	TBD	It is unlikely that project activities will involve in international waterways unless the project will finance the construction of gravity-fed water systems or small scale irrigation systems that take water from rivers that are direct or indirect tributaries of the Mekong, an international waterway. This will be confirmed during the project preparation if this policy will be triggered. And if the policy is triggered, riparian countries (China, Lao PDR, Myanmar, Thailand and the Mekong River commission) will be notified prior to appraisal.
Projects in Disputed Areas OP/ BP 7.60	No	No project activities are involved in disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-May-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed.
The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

It is expected that the QER for the LEAP project will take place in May 2016 at which time the PAD-stage ISDS will be prepared.

The respective Environmental and Social Safeguards instrument include frameworks: (ESMF RPF, IPPF) and plans (PMP, and RP) will be prepared prior to appraisal of the Project and will cover all policy requirements including requirements for social assessment and free, prior and informed consultations under 4.10.

IV. APPROVALS

Task Team Leader(s):	Name: Mudita Chamroeun,Erik Caldwell Johnson	
Approved By:		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 06-Jul-2016
Practice Manager/ Manager:	Name: Nathan M. Belete (PMGR)	Date: 07-Jul-2016

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.