

 Early Warning System

WB-P153591

KH - Livelihood Enhancement and Association of the Poor Project  
(LEAP)



### Quick Facts

|                                 |  |
|---------------------------------|--|
| <b>Countries</b>                | Cambodia   |
| <b>Specific Location</b>        | 47 communes in Siem Riep and 13 sangkats in urban Phnom Penh, Cambodia   |
| <b>Financial Institutions</b>   | World Bank (WB)  |
| <b>Status</b>                   | Active   |
| <b>Bank Risk Rating</b>         | B  |
| <b>Voting Date</b>              | 2017-02-24   |
| <b>Borrower</b>                 | MINISTRY OF ECONOMY AND FINANCE  |
| <b>Sectors</b>                  | Finance  |
| <b>Potential Rights Impacts</b> | Healthy Environment, Housing & Property, Indigenous Peoples, Labor & Livelihood, Right to Food, Right to Water |
| <b>Investment Type(s)</b>       | Loan   |
| <b>Investment Amount (USD)</b>  | \$ 20.17 million   |
| <b>Project Cost (USD)</b>       | \$ 22.17 million   |



### Project Description

The proposed project objective is to provide poor and vulnerable households in selected rural and urban communities improved access to financial services, opportunities for generating income, and small-scale infrastructure. The proposed project will have 4 main components:

#### *COMPONENT 1 Improving Livelihoods for Rural Poor and Vulnerable Households (US\$ 14 million):*

This component will be in 47 communes in Siem Reap where will mobilize and build the Self-Help Groups (SHGs) of agricultural based in rural areas and the saving and credit groups for urban communities and establish the Commune Level Federations (CLFs) to support service for the producer groups. The activities include financing NGOs and community facilitators for social mobilization, capacity building training, provide supplies and equipment for community institutions. It will also support small-scale infrastructure facility like warehouses, water supply and sanitation, irrigation schemes, roads etc.

#### *COMPONENT 2 Improving Livelihoods for Urban Poor and Vulnerable Households (US\$ 4 million) :*

The activities will be in 13 Sangkats in Phnom Penh, including Boeung Kak, and would include business support services, skills training, operation and management of livelihoods activities include food processing, handicraft making, off-site garment factory sewing/dress making, cosmetology services, tuk tuk etc. Bank documents also state that this component will also fund drainage system, community road/footpath, water supply and sanitation system and street light.

#### *COMPONENT 3 Project Management (US\$ 2 million):*

This component will support overall implementation, supervision and coordination of the project at national, provincial, Sangkat and village level.

#### *COMPONENT 4 Contingent Emergency Response (US\$ 0 million):*

This allow reallocation of a portion of undisbursed balance of the project for recovery and reconstruction support following a formal government request in the event of an eligible emergency.

Locations: The project covers 47 communes in Siem Reap, including Angkor Thum, Chi Kraeng, Kralanh, Prasat Bakong, Puok, Svay Leu, Siem Reap, Srei Snam and Sotr Nikum. As shown in the project map located in the Environmental and Social Management Framework, the project locations will also include 13 sangkats in urban Phnom Penh. Of note, one of the sangkats in the map is Boeung Kak 1, which may overlap with the contentious area involving the evicted Boeung Kak Lake communities. As noted in that project map, the other sangkats in Phnom Penh include Srah Chak, Trapaing Krasang, Tumnob Tuek, Chbar Ampov2, Chaom Chau2, Dangkor, Chak Angre Leu, Prey Veng, Prek Leap, Khmounh, Kok Roka, Chrang Chamres.

Resources needed: It's unclear, as sub-projects will be chosen later. However, project documents indicate that land may be acquired.



### Early Warning System Project Analysis

#### APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

Based on World Bank project documents, the following environmental and social safeguards are triggered:

##### **Environmental Assessment OP/BP 4.01:**

this safeguard is triggered 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.

##### **Involuntary Resettlement OP/BP 4.12:**

triggered because some type of land acquisition could happen - mainly in a form of land donations [...] for such as small grain storage, cattle sheds and infrastructure also for [...] public infrastructure and services provision (upgrading of roads, water supply and sewerage systems, improving education and training facilities, and other small-scale investments) the bank document also mentioned 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. The Resettlement Policy Framework will be applied in the event resettlement occurs due to implementation of the Project and applies to all receiving financial or technical assistance from LEAP.

##### **Physical Cultural Resources OP/BP 4.11:**

triggered because the project may finance rural infrastructure such as irrigation system and reservoir for agricultural purposes, etc., which may impact on unknown, physical cultural resources Dust and noise from material and waste loading disposals and artefacts expose may affect the cultural site

Bank documents state that it is TO BE DETERMINED whether the following environmental and social safeguards are triggered:

##### **Natural Habitats OP/BP 4.04:**

to be determined because proposed sub-projects will 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. The specific areas have not been identified.

##### **Forests OP/BP 4.36:**

to be determined because Small scale rural infrastructure and civil works such as irrigation system and reservoir may affect the forest in project area. Details about forest in project areas have not been identified.

##### **Pest Management OP 4.009:**

to be determined because Limited negative impacts on water quality may occur due to unsustainable farming practices and usage of chemical pesticides although the project will not promote purchase/use / promote an increase use of pesticides.

##### **Safetv of Dams OP/BP 4.37:**



### People Affected By This Project

#### OUR RISK ASSESSMENT

There is limited information on the sub-projects at the time of writing. However, based on the project documents available, this project may impact the following human rights:

#### Right to Property and Adequate Housing:

Project documents state that project activities may include land acquisition in the form of voluntary land donations for small grain storage, cattle sheds and basic infrastructure (upgrading roads, water supply, irrigation and drainage systems). The Resettlement Policy Framework disclosed by the World Bank sets out guidelines for land donation and documentation for Components 1 and 2 and states that voluntary contributions will follow participatory and consultation measures and [would] not be approved where they would significantly harm incomes or living standards of individual owners or users. In relation to land donations, documents also state that project-affected people have the right to refuse to donate assets and receive their entitlement and compensation for their land and assets lost. They will be fully informed of their rights and access to grievance mechanisms described in the [Resettlement Policy Framework]. Nonetheless, this practice raises concern about how the voluntary donation process will be undertaken, given among other factors the shrinking democratic space in Cambodia. This might impact the right to property and adequate housing in the sub-projects area.

Impacts on this right are not entirely clear until sub-project selection is made. Bank documents say that the screening will exclude the following higher risk subprojects: (a) Infrastructure Subprojects requiring relocation of residences or commercial enterprises; (b) Infrastructure adversely affecting more than 200 persons in total; and (c) Infrastructure for which sources of necessary compensation have not been established. Bank documents have stated that in the case that the project involves a high risk sub-project, the Ministry of Interior (MOI) will contact the World Bank to determine whether such an activity is eligible based upon the significance of potential impacts, risks and the capacity of the implementing agencies to manage such risks.

Finally, there are questions, given that one project location is Boeung Kak in urban Phnom Penh, whether and how, if at all, this project may impact the remaining Boeung Kak Lake families. The project documents state: a LEAP funded would not be implemented to compensate the displacement of families affected by a contemporaneous development/commercial project.

#### Right to Livelihoods:

This triggered because the project may acquire agricultural land for building infrastructure. If the subproject areas are close to rivers and creeks, animal waste sanitation or construction of dam could impact local fisheries.

#### Right to Food:

To the extent that this project might acquire the land where local villagers use to grow crops for sustenance, the right to food could potentially be impacted.

#### Right to a Healthy Environment:

Bank documents state that the project would likely support animal raising and vegetable gardening. Without proper implementation, bank documents stated that the environmental impacts may include mild pollution of surface and ground water from animal wastes and agricultural farm inputs, loss of soil fertility and odor/smell from animal wastes. The construction of infrastructure could potentially create dust and noises in community and could remove or disturb the vegetation cover and/or trees.

#### Right to Health:

The bank documents mentioned the use of oil, paints, lubricants, batteries and toxic containing materials may be contaminated that may pose public health risk also the high level of dust and smoke during site clearance, excavation, ridding



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### Investment Description

- World Bank (WB)

Bank financing: World Bank

Borrower: Kingdom of Cambodia

Amount of bank loan or investment: \$20 USD Million

Total project cost: \$22 USD Million



### Contact Information

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### CONSULTATIONS

The task team leader told the EWS team that there would be participatory process for all residents of commune/sangkat. The bank document stated that the consultations were organized at the Provincial level and more intensively at the Commune/Sangkat level to elicit issues and concerns about the project. Unknown number of selected Commune/Sangkat



### Bank Documents

- Cambodia - Livelihood Enhancement and Association of the Poor Project : environmental assessment : E [Original Source]
- Cambodia - Livelihood Enhancement and Association of the Poor Project : resettlement plan : Resettle [Original Source]
- Integrated Safeguards Data Sheet (Appraisal Stage) - KH - Livelihood Enhancement and Association of [Original Source]
- Integrated Safeguards Data Sheet (Concept Stage) - KH - Livelihood Enhancement and Association of th [Original Source]
- Project Information Document (Appraisal Stage) - KH - Livelihood Enhancement and Association of the [Original Source]
- Project Information Document (Concept Stage) - KH - Livelihood Enhancement and Association of the Po [Original Source]