

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA17452**

**Date ISDS Prepared/Updated:** 10-Nov-2016

**Date ISDS Approved/Disclosed:** 13-Nov-2016

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Cambodia	<b>Project ID:</b>	P153591
<b>Project Name:</b>	KH - Livelihood Enhancement and Association of the Poor Project (LEAP) (P153591)		
<b>Task Team Leader(s):</b>	Mudita Chamroeun,Erik Caldwell Johnson		
<b>Estimated Appraisal Date:</b>	05-Dec-2016	<b>Estimated Board Date:</b>	23-Feb-2017
<b>Managing Unit:</b>	GFA02	<b>Lending Instrument:</b>	Investment Project Financing
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	20.00	Total Bank Financing:	20.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			20.00
Total			20.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

The Project Development Objective (PDO) is to improve access of poor and vulnerable households in selected communities to financial services, opportunities for generating income, and small-scale infrastructure, and to provide immediate and effective response in case of an eligible crisis or emergency.

**3. Project Description**

Project Components.

The project would be implemented in two distinct contextual and institutional environments of the mostly rural Siem Reap Province and the rapidly urbanizing Phnom Penh Capital. The core project activities would be separated into rural and urban components, each would have specific geographical scope and implementation arrangements which are customized to each unique setting while maintaining consistency and continuity across the project.

Component 1: Improving Livelihoods for Rural Poor and Vulnerable Households (US\$14.00 million). This component aims to address the needs of the IDPoor and vulnerable households in the 47 communes in Siem Reap Province through a demand driven approach. Activities would include: (a) conduct of organizational and capacity building support to SHGs, producers groups and agricultural cooperatives; (b) provision of seed grants for their livelihood sub-projects; (c) conduct of market studies; (d) extension of business support services; and (e) skills development training; (f) employment support services; and (g) provision of productive infrastructure to improve livelihood and increase productivity. As the predominant sources of income for these rural poor households are from agriculture, livestock and fisheries, the project would leverage the technical support of the Ministry of Agriculture, Fisheries and Forestry (MAFF) and other technical service providers. Drawing from the experience of the pilot project, this component would be implemented by the Siem Reap Provincial Government through the following sub-components:

Sub-Component 1.1: Building and Strengthening Institutions of the Rural Poor. This would support the formation and strengthening of beneficiaries mainly through SHGs, producers groups or agricultural cooperatives, and enable their members to engage jointly or individually in productive activities. Capacity building assistance would include basic financial literacy (savings, budgeting, etc.), micro-enterprise/business planning, basic accounting and record keeping, good governance practices, and access to financial services. Furthermore, groups and individual farmers would be assisted and strengthened through facilitation of market linkages, technical assistance and capacity building for producers to increase access to assets, skills, technology and markets.

To supplement the initial savings generated by the SHGs, the project would provide seed grants (US \$1,000-1,500 per SHG) for on-lending to members to implement their Micro Investment Plans (MIPs). The grant would be for SHGs that have previous experience in implementing and managing microenterprises/livelihood activities. Where commune-level federations of SHGs, producers groups, agricultural cooperatives, etc. are existing and qualified to be financial intermediaries, the project would provide them with Community Livelihood Investment Fund (CLIF) grant of up to US\$30,000 per federation. This grant would be for on-lending to member groups that are not qualified to access credit from MFIs and other formal banking institutions. The project would also link the federations with financial institutions to access additional/bigger credit funds and other financial services.

MAFF as well as NGOs/other service providers would be tapped to provide technical assistance and market linkage services to the beneficiary groups and where warranted, to individuals. These would focus on improving production efficiency, productivity enhancement, access to technology extension, logistics infrastructure and information services, and building pro-poor market systems for small and marginal producers that would enable them to participate in higher value chains.

Sub-Component 1.2: Enhancing Skills and Employment Opportunities for the Rural Poor. Taking advantage of the opportunities offered by enterprises connected to the rapidly growing tourism industry in Siem Reap, this sub-component would provide a complementary livelihood pathway to self-help group, value-chain and market access support under Sub-component 1.1. The Project would

invest in the development of beneficiary skills (particularly unemployed youth and women from poor households) and the ability to obtain new or improved wage employment. Activities would include: (a) local labor market surveys and training provider certification; (b) beneficiary targeting and selection; (c) employability training and career counseling; (d) voucher provision and skills training; (e) job placement and employment support.

**Sub-Component 1.3: Improving Basic Services and Community Infrastructure.** This would support small-scale community infrastructure and services to respond to the priority needs of the beneficiaries and contribute to their productivity and income generating potential. Investments would include storage or small warehouses, water supply and sanitation facilities, small-scale irrigation schemes, community access roads, and better on-farm water management practices, among others. The identification of priority needs would follow the existing annual participatory identification and planning process that provides opportunity for the beneficiaries to advocate their investment priorities and ensure that these are included in the Commune Investment Plan (CIP). The project have borrowed and adopted the relevant safeguard procedures and forms, in the Commune/Sangkat Fund Project Implementation Manual (CSF-PIM) to be used in the preparation and implementation of community sub-projects. The CSF-PIM has been used by Communes for small-scale investments for several years.

**Component 2: Improving Livelihoods for Urban Poor and Vulnerable Households (US\$4.00 million).** This component aims to address the needs of the IDPoor and vulnerable households in 13 Sangkats in Phnom Penh Capital through a demand driven approach. Activities would include: (a) skills development training; (b) employment support services; and (c) provision of productive infrastructure to improve livelihood and increase productivity. Direct financial services support would not be provided but where appropriate, linkages to existing financial institutions and services would be facilitated. This component would be implemented by the Phnom Penh Capital Hall through the following sub-components:

**Sub-Component 2.1: Enhancing Skills and Employment Opportunities for the Urban Poor.** Since there are many training and employment programs in Phnom Penh and a wider range of employment opportunities, support would be provided to more secure, satisfying and higher earning jobs. As in the case of the rural component, this sub-component would provide a complementary livelihood pathway to beneficiaries. The Project would invest in the development of beneficiary skills (particularly unemployed youth and women from poor households) and the ability to obtain new or improved wage employment. Activities would include: (a) local labor market surveys and training provider certification; (b) beneficiary targeting and selection; (c) employability training and career counseling; (d) voucher provision and skills training; (e) job placement and employment support. Some of the livelihood priorities identified during project preparation include food preparation and processing, handicraft making, retailing/ buy and sell, off-site garment factory sewing/dressmaking, cosmetology services, tuktuk operation, etc. Beneficiaries, particularly youth, would be encouraged to consider a wider range of career opportunities and skills where there is high demand and potential for career development.

**Sub-Component 2.2: Improving Basic Services and Community Infrastructure.** This would follow the same process as in Sub-Component 1.3, drawing on use of the C/SF-PIM. To ensure that the sub-projects would most benefit the poor and vulnerable households such as the UPCs, the community planning meetings would include both IDPoor households and representatives of the UPCs. The types of infrastructure facilities that would be funded include but not limited to drainage system, community road/footpath, water supply and sanitation system, and street lighting. These community

infrastructure investments have been identified in the UPC needs assessment survey and are expected to increase the beneficiaries' productivity, resilience and ability to adapt to natural and economic shocks.

Component 3: Project Management (US\$2.00 million). This component would support the overall implementation, supervision and coordination of the project at the national, provincial, district/Khan, commune/Sangkat, and village/community levels, including: (a) social and environmental safeguard risk management; (b) procurement planning and contracts management; (c) financial management, disbursement and audit; and (d) monitoring and evaluation (M&E), and communication.

Component 4: Contingent Emergency Response (US\$0.00 million). This component, with an initial allocation of zero dollar, is part of the World Bank (IDA) support to an immediate response mechanism in Cambodia. This would allow the 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.

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

Siem Reap province is surrounded by five other provinces, in the north is Otdar Meanchey, in the west is Banteay Meanchey, in the east are Preah Vihear and Kampong Thom, and in the south the province borders partly with Battambang and partly with Tonle Sap Lake. In Siem Reap, the project covers 47 communes in 9 districts (Angkor Thom, Chi Kraeng, Kralanh, Prasat Bakong, Puok, Svay Leu, Siem Reap, Srei Snam and Sotr Nikum) that did not receive support from the TSSD Project. 42 communes did not receive any TSSD support and will be fully covered by LEAP; 5 communes that did not receive full coverage by TSSD but have above average poverty levels and will have respective villages included in LEAP. From the Environmental Watch-list, 20 targeted communes have some plan to keep some areas as reserved or protected area. Six Communes are covered by natural forest more than 50% of the total area. Twenty-Four targeted communes have natural forest or wet land covered area more than 10% of the total area. The Project will not finance activities for protected areas management.

The Tonle Sap Lake is the most prominent feature on the map of Cambodia a huge dumbbell-shaped body of water stretching across the northwest of the country. In the wet season, the lake is one of the largest freshwater lakes in Asia, swelling to an expansive 12,000 km<sup>2</sup>. During the dry season, it shrinks to as small as 2,500 km<sup>2</sup>. The Tonle Sap Lake drains into the Tonle Sap River, which meanders southeast, eventually merging with the Mekong River at the Chaktomouk confluence at Phnom Penh. During the wet season a unique hydrologic phenomenon causes the Tonle Sap River to reverse direction, filling the lake. During this period, the Mekong River runoff from the monsoon rains backs up into the Tonle Sap at the point where the rivers meet at Chaktomouk, forcing the waters of the Tonle Sap River back into the lake. The inflow from Tonle Sap River and other rivers around Tonle Sap Lake expands the area of the lake more than five-fold, inundating the surrounding forested floodplain and supporting an extraordinarily rich and diverse eco-system.

In Phnom Penh, 13 out of 105 Sangkats (the urban equivalent of a commune) will be included in the project. As the project is primarily intended to benefit IDPoor households, IDPoor data was the primary source for selecting target Sangkats. Unfortunately, at the time of project preparation, IDPoor data was only available for 8 out of the 12 Khans (the urban equivalent of a district). For these Khans, the Sangkats with the highest total number of IDPoor households were selected as targets. One Sangkat was selected from each Khan with up to 10 Sangkats; 2 Sangkats were selected

form the Khans with more than 10 Sangkats. For the remaining 4 Khans, Phnom Penh Capital (PPC) maintains a list of "urban poor communities," communities which largely include informal settlements and are deficient of public services and infrastructure. One of these Khans, Prampi Makara, has no urban poor communities. For the remaining 3 Khans, one Sangkat with the highest number of urban poor community households was selected for the project. None of the targeted communes are included in the Environmental Watch-List.

## 5. Environmental and Social Safeguards Specialists

Bunlong Leng (GEN2B)

Juan Martinez (GSU02)

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6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>LEAP pilot project in Siem Reap, activities included livestock raising, vegetable farming, rice cultivation, fishery, rice mill, home business including home-made bakery and noodles, and fertilizer shop, etc. The environmental impacts from the pilot activities are summarized as nuisance such 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. These activities will be continued to support under Component 1 (implemented in Siem Reap) of this project except the pesticide-based agriculture. Organic farming and non-pesticide based agriculture will be promoted under this LEAP project in line with MAFF policy instead. Each Self Help Group (SHG) will receive sub-loan not more than 1000-1500 USD. In addition, public, small-scale infrastructure will also be financed such as water supply, sewerage system, irrigation system, and road maintenance. No major road construction activities or large-scale infrastructure will be supported.</p> <p>Component 2 (implemented in Phnom Penh), will not include SHG activities, but rather focus on building skills for improved employment and wage earning. Public, small-scale infrastructure such as drainage systems, as well as water supply and sanitation, street lighting and community road/footpath maintenance will be financed under this component.</p> <p>As part of the project preparation, a Social Analysis (SA), including several studies were conducted from 2009 to 2015, including extensive community consultations. A Social Assessment as well as a five-chapter, Lead Social Development Specialist Report were conducted in late</p>

		<p>2009/early 2010 and August 2010/January 2011, respectively. The lessons from a pilot in 6 communes were documented in project reporting and an impact evaluation was undertaken in 2012 with a specific focus on measuring changes in social capital. As the target project area was expanded to include Phnom Penh, an Urban Poor Community Needs Assessment was conducted in 2015. Finally, as a complement to these social analysis instruments, community consultations have been reactivated in Siem Reap and expanded to include Phnom Penh. Key findings from these studies and consultations include: need for special efforts to include female-headed HHs, handicapped and elderly; interest in job/employment skills; risk of migration when agriculture income is constrained; and the difficulty of maintaining young, fragile self-help groups.</p> <p>Given the small-scale nature of these activities the impacts are minor, temporary, site specific and manageable through project design and construction management techniques are integrated into the ESMF. The design and construction management techniques are adapted from the relevant procedures and formats of the 2009 Commune/Sangkat Fund Project Implementation Manual (PIM). No significant or irreversible impacts are foreseen as a result of Project activities.</p> <p>These separate, Environment Assessment and social Analysis report prepared in 2010 for the pilot phase was used to prepare this ESMF. The ESMF has included technical environmental guidelines, ECOP or /Good construction management Techniques or Good engineering practices and simple mitigation measures for small-scale infrastructure and RPF to ensure that the environmental and social impacts are appropriately addressed and in compliance with the national environmental regulations and the World Bank Safeguard Policies prior to project appraisal.</p> <p>The poorest and most vulnerable households in selected communes/Sangkats in Siem Reap and Phnom Penh, in particular, those identified as IDPoor 1 and 2 will be supported through Self-Help Groups, producer groups, and agricultural cooperatives, as well as through skills-building and job placement support. They could also benefit from infrastructure improvements (i.e. water supply or community road repair).</p>
Natural Habitats OP/BP	Yes	The Project as well as proposed sub-projects in Siem

4.04		<p>Reap will finance SHGs and producer groups to invest in agriculture, livestock and fisheries activities as well as small-scale productive infrastructure (e.g. post-harvest processing equipment, storage facilities and poultry shed, etc.). These activities may affect natural habitats, wet land, protected areas and their biodiversity in the project area in particular Tonle Sap Lake from wastewater discharge from livestock raising activity and utilization of illegal fishing gears and methods, etc. These impacts are minor and site specific and it can be mitigated through the application of Technical Environmental Guidelines included in the ESMF. The Technical Environmental Guidelines require or prefer local or endemic species over exotic/introduced species for aquaculture as a management measure.</p> <p>An environmental screening checklist and guidelines for the animal raising and fish farming sub-project as part of the ESMF was prepared to prevent project activities from impacting Tonle Sap Lake, any known natural habitats, wet land and protected area. The ESMF also includes a screening procedure to (i) determine whether the proposed facilities are in a critical or non-critical natural habitat and (ii) avoid any significant conversion or degradation of any critical natural habitat.</p>
Forests OP/BP 4.36	No	<p>From the Environment Watch-List, there are six target communes with 50% of the area covered by natural forest. There are 24 communes that have 10% of natural forest or wet land coverage area. However, it is unlikely that poor communes in Siem Reap will propose forest plantation sub-projects due to limitation of land. An environmental screening checklist was prepared as part of the ESMF and will be used during project implementation to prevent project activities from negatively impacting any known forest in the targeted area, therefore, it is anticipated that there will be no significant impact on the forest from project activities.</p>
Pest Management OP 4.09	No	<p>The livelihood investment activities will not involve either utilization or production of any pesticides. Thus, OP.4.09 policy on pest management is not triggered. Based on LEAP Pilot experience in Cambodia, it is unlikely that farmers will use chemical fertilizer and prohibited insecticide/herbicide due to its high cost. In addition, organic farming and non-pesticide based agriculture will be promoted under this project in line with MAFF policies aiming to supply organic commodities and pesticide-free products to five stars hotel and restaurant in Siem Reap. This will increase value of</p>

		agricultural products to the high end market. Therefore, it is unlikely that this policy will be triggered.
Physical Cultural Resources OP/BP 4.11	Yes	<p>The Project will finance infrastructure investments in Siem Reap, a province of major cultural heritage. These small civil works may impact on unknown, physical cultural resources as defined by OP/BP 4.11. Any potential impacts on cultural and religious sites will be identified and avoided during sub-project design. A chance find procedure, of physical cultural resources is also included as part of the ESMF. All civil work contracts will be included the following chance find procedure clause:</p> <p>If the Contractor discovers archeological sites, historical sites, remains and objects, including graveyards and/or individual graves during the civil work, the Contractor shall:</p> <ul style="list-style-type: none"> <li>- Stop the construction activities in the area of the chance find;</li> <li>- Delineate the discovered site or area;</li> <li>- Secure the site to prevent any damage or loss of removable objects; and</li> <li>- Notify "any cultural heritage" found to the government implementing agency or the relevant provincial Culture Department as early as possible.</li> </ul>
Indigenous Peoples OP/ BP 4.10	No	<p>The 2009 National Policy on Indigenous Peoples' Rights recognizes 24 ethnic, indigenous groups in Cambodia. These groups are primarily located in the six northeastern upland provinces of Rattanakiri, Mondulakiri, Stung Treng, Kratie, Preah Vihear, and Kampong Thom.</p> <p>As part of project preparation, a screening exercise was conducted in the proposed target area in Siem Reap where the project will be implemented to determine the presence of Indigenous Peoples. There are only two communes in Siem Reap identified as having indigenous people, the Kuoy indigenous group, located in Srae Noy and Khun Ream communes. However, this is not one of the project target communes. Recent information provided by indigenous peoples organization shows that there are individual indigenous families present only in one village in Phnom Penh identified as having indigenous people, the Pors indigenous group, located in Kean Klaing village, Preak Leap Sangkat, and Chrouy Changvar Khan, Phnom Penh Capital specifically in the project area; however these families are mixed with other Khmer families and they do not practice any collective</p>

		attachment to the project area and they do not have any customary cultural, economic, social, or political institutions. For this reasons the Bank's policy on indigenous peoples (OP 4.10) is not triggered, however the Project will use participatory community informed consultation to ensure access of poor and vulnerable households located in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	The Project is embedded in a community driven development model whereby local communities/groups of households make decisions regarding the types of interventions they seek. For example, small pieces of land may need to be acquired for the benefit of communities for income generating purposes such as small grain storage, cattle sheds, as well as basic public infrastructure such as the upgrading of roads, water supply, irrigation and drainage systems. Based on previous experience with small-scale infrastructure investments through the Commune/Sangkat Fund, it is highly unlikely, but not impossible that compensation for land may be required. Landowners usually contribute their land via voluntary donation. The RPF includes a protocol for voluntary land donations. While there are several natural protected areas in Siem Reap, impacts are expected to be minor and site specific, and can be mitigated through the application of Technical Environmental Guidelines included in the ESMF. Activities for protected areas management and access restrictions will not be supported under the project. For these reasons OP/BP 4.12 Involuntary Resettlement policy has been triggered.
Safety of Dams OP/BP 4.37	No	The Safety of Dams OP/BP 4.37 is not triggered as the project will finance the construction of only small or medium-sized water gates (not more than 1.5 m. in height) or sub- irrigation systems that connect to the main irrigation system and will regulate the flow of small creeks. The small water gate size that is permitted under the Commune Sangkat Fund in Siem Reap and Phnom Penh, or their connections with the main irrigation system and water diversion/intake structures, are not categorized as dams. They are largely box culverts with a water gate that is 1.5 m in height and 2 m in width. The diameter of pipe culverts is about 0.6-1.2 m.
Projects on International Waterways OP/BP 7.50	Yes	International Waterways OP/BP 7.50 is triggered as project activities may extract water that links to the tributaries of the Mekong. However, based on experience with previous and existing small-scale irrigation and water supply projects in the two target provinces of Siem Reap and in Phnom Penh, and their relationship to the Mekong River, it is not expected that the small works to

be proposed by target communities will appreciably affect the quantity or quality of water flows in the Mekong River and/or its tributaries.

In Siem Reap, the activities to be implemented will involve minor rehabilitation or alterations of existing irrigation infrastructure. While subproject investments will be demand-driven, rehabilitation of third tier on-farm distribution canals in the 47 target communes, is estimated to cover approximately 2,000 hectares, allowing more efficient on-farm water distribution from the existing primary and secondary irrigation canals. According to the Provincial Irrigation Department, this coverage may entail use of an indicative mean annual water volume of approximately 23 million cubic meters from the existing primary irrigation system. This would be equivalent to 0.038 percent of the mean annual reverse flow volume in Tonle Sap Lake of more than 60 billion cubic meters.

There is very little agricultural activity taking place in Phnom Penh, so irrigation rehabilitation is not planned under the project. There may, however, be demand for extension of the existing piped water system to connect communities that are not currently connected. Two such communities have been identified through the project's needs assessment within the 13 target Sangkats. These two communities are relying on wells, which are either not of good quality (Svay Chek Thmey) or volume (Toul Sambo). Both communities mostly buy drinking water from trucks which extract water from the Mekong River or its tributaries. Toul Sambo (Prey Veng Sangkat) has about 400 households. Svay Chek Thmey (Kok Roka Sangkat) has about 100 households. Estimating water consumption per household at 1 m<sup>3</sup>/household/day (average consumption per household with 5 family members and 200 l/capita/day) for 500 households comes to approximately 500 m<sup>3</sup> per day. There are two water treatment plants that would likely be the source of water supply for the two identified communities and their combined average daily production is 190,000 m<sup>3</sup> per day. As such, the additional supply from the two identified communities would amount to around 0.003% of the production of these water treatment plants (Phum Preak and Chamkar Mon). Total water treatment capacity across Phnom Penh currently totals 590 190,000 m<sup>3</sup> per day, of which the additional two communities would comprise 0.0008%.

		As the project activities both in Phnom Penh (urban poor) and Siem Reap (Rural poor) will not adversely change the quality or quantity of water flows of Mekong River, the project is exempted from the requirement of riparian notification.
Projects in Disputed Areas OP/BP 7.60	No	No project activities are planned in disputed areas.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

#### 1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

**Environmental Safeguards.** The project's development activities such as livelihood improvement and small-scale infrastructure services would have minimal environmental and social impacts during implementation. Their typical environmental and social impacts would be temporary, reversible, and manageable through the Technical Environmental Guidelines (TEGs), and Environmental code of practice (ECOP) or construction management techniques described in the ESMF. The Environmental code of practice (ECOP) or construction management techniques are adapted from the Commune/Sangkat Fund Project Implementation Manual, which is currently utilized by the Commune/Sangkat Councilors for small-scale infrastructure investments throughout the country. This Manual has been applied and improved under previous projects funded by multilateral donors including the World Bank (for example, the Rural Infrastructure and Local Government Project), ADB and UNCDF. No significant and/or irreversible impacts are foreseen.

**Social Safeguards.** As a part of project preparation, a social analysis was conducted comprising several studies in Siem Reap and Phnom Penh, and including participatory consultations at different levels in both urban and rural areas where the project will be implemented. This analysis also incorporated lessons learned from the pilot intervention, including the findings of an impact evaluation. An Urban Poor Community Needs Assessment was conducted in 2015 to better understand the unique context and challenges faced in poor communities in Phnom Penh. This Assessment has also provided valuable information for the project design and specifically for the preparation of the RPF by understanding the infrastructure and livelihood needs of target communities.

The social analysis has focused on social context, diversity and gender; an analysis of formal as well as informal institutions in the project areas, including stakeholder analysis; a structured consultation and participation framework and process; and a comprehensive analysis of social risk, both risks potentially emanating from the project and risks to the project from the social context. The Project will primarily benefit the poorest and most vulnerable households in selected communes/Sangkat in Siem Reap and Phnom Penh, in particular, those identified as IDPoor 1 and 2. Support will be provided as and where appropriate through Self-Help Groups, producer groups, and agricultural cooperatives, as well as through skills-building and job placement support, as well as through the demand-driven provision of small-scale economic infrastructure.

Potentially all commune/Sangkat or village households could benefit from infrastructure improvements (i.e. water supply or community road repair), but preference will be given to

priorities expressed by poor households, so these households should benefit most.

Social risk/impacts. The social analysis identified the following key benefits and risks for target communities:

- Positive benefits to urban and rural people including poor people, women, and marginalized groups, in the form of improved livelihoods, access to critical infrastructure and services, as well as income generation activities;
- Small pieces of land may need to be acquired for the benefit of communities for income generating purposes such as small grain storage, cattle sheds, as well as basic public infrastructure such as the upgrading of roads, water supply, irrigation and drainage systems; mainly in the form of voluntary land donation. Physical displacement will be prohibited under the project. However, sub-projects may result in economic displacement. The numbers would be small if indeed it will occur;
- Inadequate consultations with vulnerable groups including women and other marginalized groups; and
- Ineffective mechanisms for benefit targeting and information dissemination leading to exclusion of marginalized groups from project benefits.

A number of institutional risks have also been identified, including:

- Lack of resources both human and financial;
- Weak planning, implementation and monitoring;
- Different capacities among different agencies (urban and rural);
- Difficulties in applying environmental and social frameworks;
- Communication problems.

The social analysis also identified that there are five protected areas located in Siem Reap Province, and two of them are located in the project area (Angkor Protected Landscape area and Phnom Kulen National Park). The Project, as well as proposed sub-projects in Siem Reap, will finance SHGs and producer groups to invest in agriculture, livestock and fisheries activities as well as small-scale productive infrastructure (e.g. post-harvest processing equipment, storage facilities and poultry shed, etc.). These activities may affect natural habitats, wet land, protected areas and their biodiversity in the project area in particular Tonle Sap Lake from wastewater discharge from livestock raising activity and utilization of illegal fishing gears and methods, etc. However, these impacts are minor and site specific and it can be mitigated through the application of Technical Environmental Guidelines included in the ESMF. No support and facilitation for access restriction will be financed by the project.

For Social Safeguards implementation, since the project is following a community driven approach, and is focusing on small-scale infrastructure services, the Commune/Sangkat Fund Implementation Manual will be used.

Overall, risks and opportunities have been very well identified as part of project design and measures to mitigate risks are already included in project components, specifically in Sub-Components 1.1, Building and Strengthening Institutions of the Poor; and Component 1.3 and 2.2, Improving Basic Services and Community Infrastructure

## **2. Describe any potential indirect and/or long term impacts due to anticipated future activities**

<b>in the project area:</b>
No indirect or cumulative or long-term adverse environmental impacts are foreseen.
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
No project alternatives are required.
<b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b>
<p>Environmental safeguards. The clients prepared an ESMF and RPF which include an Environmental Code of Practice (ECOP) or construction management techniques for small-scale infrastructure at commune/Sangkat level and an environmental screening checklist to avoid adverse impacts to any known natural habitats and forests. The ESMF largely adapts the relevant procedures and formats in the Commune/Sangkat Fund Project Implementation Manual, which has been used by other projects funded by the World Bank and ADB. The Manual is also aligned with the requirements of the Bank Environmental Assessment Policy (O.P.4.01).</p> <p>The organizational structure of the project would involve Government oversight by a Project Coordination Office (PCO) located in the Ministry of Interior (MOI) under the General Secretariat of the MOI. The PCO will facilitate reporting and ensure effective internal and external communications. Two Sub-Management Teams (SMTs) located at Siem Reap Province and at Phnom Penh Capital Hall will be responsible for all operations within each province/municipality with the support of local government, district/Khan and commune/Sangkat level professionals, including social and environmental safeguards specialists and facilitators. Due to the predominance of agriculture and fishery-based livelihoods in rural areas, the Ministry of Agriculture, Forestry and Fisheries (MAFF) will have a specified role as a project implementation agency, providing technical assistance to specified SHG, producer groups and ACs, at the request of the SMTs.</p> <p>The Ministry of Interior, in particular the National Committee for Subnational Democratic Decentralization Secretariat (NCDDS), which it hosts, has experience in safeguards implementation. However, the MOI staff need further support in the procedures for monitoring and recording environment and social safeguard activities. Staff of other implementing agencies also need continued support, specifically during the first year of implementation.</p> <p>The Safeguards Working Group of the National Committee on Decentralized Development (NCDD), Ministry of Interior (MOI), maintains a list of communes/Sangkats on an Environment Watch-List: communes/Sangkats that are located in wetland areas and other protected areas which are sensitive to impacts on the environment. For sub-projects proposed in these communes/Sangkats, the Safeguards Working Group will review the screening done at the commune and provincial level to confirm the potential for environmental impacts and the requirement to conduct an Environmental Analysis.</p> <p>NGOs will play an important role to facilitate sub-project proposal preparation and consultation process. Capacity building and safeguard training will be provided to NGOs to ensure that environmental and social impact are taken into account at the sub-project screening and proposal preparation.</p> <p>Social Safeguards. The RPF establishes principles and procedures to be followed in the case of</p>

voluntary land donation, and in the unlikely case of land acquisition through compensation. In such instances, the RPF requires the preparation of a Resettlement Action Plan (RAP) by the Government for World Bank review and approval. The RAP ensures that any such potential impacts are minimized, and that any persons affected by such impacts are provided mutual (ample) opportunity, through provision of compensation or other forms of assistance, to improve or at least restore their incomes and living standards.

As in the case of ESMF implementation, actions identified for implementation in the RPF will fall within the overall responsibility of the Ministry of Interior (MoI), which is the executing agency for the project. Activities identified for Component 1 will be implemented by the Siem Reap Sub-Management Team 1 (SMT1 SRP), and Component 2 activities will be implemented by the Phnom Penh Capital Sub-Management Team 2 (SMT2 PPC).

Additionally, In Cambodia, the mandate for carrying out land acquisition for public investments has been delegated to the Inter-Ministerial Resettlement Committee (IRC) of MEF. The Resettlement Action Plans (RAP) under the project (if any) will need to be approved by the IRC before submission to the World Bank for review and approval. To achieve the objectives of this Framework and RAP (if any), the operational manual for the project reflects the policy on land acquisition and the roles and responsibilities of the IRC, MoI, Siem Reap and Phnom Penh respective teams. The IRC is a collective entity chaired by the representative of the MEF and composed of representatives from different line ministries such as the MoI (Project Executing Agency), including Siem Reap Province and Phnom Penh Capital (PPC), MAFF (Project Implementing Agencies), and Ministry of Land Management, Urban Planning and Construction (MLMUPC). The IRC is the decision making body on resettlement issues involved in government infrastructure projects. The MEF is the permanent Chair of the IRC and represents it for all development projects. The IRC assumes the function of a quasi-regulatory body, ensuring that funds for resettlement are spent properly and that the RP is carried out as intended.

**5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.**

Community residents, Commune Council members and civil society groups in the targeted communes/Sangkats were consulted during implementation of the pilot, and in the period between the close of the pilot and preparation of the current phase, and intensively and comprehensively as part of and during LEAP preparation. Government has assigned safeguard focal points who have received basic environmental and social safeguard training during the project preparation missions. These safeguard focal points will continue receiving support on the disclosure and implementation of safeguard instruments. On 29 September 2016, the Ministry of Interior notified the task team that the safeguard instruments, namely the draft ESMF and the draft RPF, in both Khmer and English, were disclosed on its website at [www.interior.gov.kh](http://www.interior.gov.kh).

**B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	29-Sep-2016
Date of submission to InfoShop	29-Sep-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

"In country" Disclosure	
Cambodia	29-Sep-2016
<i>Comments:</i>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	29-Sep-2016
Date of submission to InfoShop	29-Sep-2016
"In country" Disclosure	
Cambodia	29-Sep-2016
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.04 - Natural Habitats</b>	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Is physical displacement/relocation expected?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] TBD [ <input type="checkbox"/> ]
Provided estimated number of people to be affected	

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] TBD [ <input checked="" type="checkbox"/> ]
Provided estimated number of people to be affected	
<b>OP 7.50 - Projects on International Waterways</b>	
Have the other riparians been notified of the project?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Has the RVP approved such an exception?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader(s):	Name: Mudita Chamroeun,Erik Caldwell Johnson	
<b>Approved By</b>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 11-Nov-2016
Practice Manager/ Manager:	Name: Nathan M. Belete (PMGR)	Date: 13-Nov-2016