Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 07/12/2019 | Report No: ESRSC00710
# BASIC INFORMATION

## A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Cambodia</td>
<td>EAST ASIA AND PACIFIC</td>
<td>P171331</td>
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<table>
<thead>
<tr>
<th>Project Name</th>
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<tr>
<td>Land Allocation for Social and Economic Development Project III</td>
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<th>Practice Area (Lead)</th>
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<tr>
<td>Financing Instrument</td>
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<td>Investment Project Financing</td>
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<thead>
<tr>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
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<tr>
<td>2/28/2020</td>
<td>6/19/2020</td>
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<table>
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<th>Borrower(s)</th>
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<tr>
<td>Kingdom of Cambodia</td>
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<th>Implementing Agency(ies)</th>
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<tr>
<td>Ministry of Land Management Urban Planning and Construction (MLMUPC), Ministry of Agriculture, Forestry and Fisheries (MAFF), National Committee for Sub-National Democratic and Development Secretariat (NCDDS)</td>
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### Proposed Development Objective(s)

The project development objective is to help improve target beneficiaries' access to agriculture resources and selected infrastructure and social services in project communities.

### Financing (in USD Million)

<table>
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<th>Amount</th>
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## B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

## C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]
The Project is a continuation and expansion of the successfully implemented Land Allocation for Social and Economic Development Projects, LASED and LASED II. It builds on the lessons learned and on established good practices. The Project is included in the World Bank Group’s Country Partnership Framework (CPF) for Cambodia 2019-2023. It supports the objectives in the government’s Rectangular Strategy IV (RS4) and is in line with the World Bank’s twin goals to end extreme poverty and promote shared prosperity. Component 1 supports a participatory process for Social Land Concession (SLC) and Indigenous Communal Land Titling (ICLT) investment planning and prioritization. Component 2 facilitates the establishment of sustainable infrastructure and livelihood systems. It finances land preparation and the provision of social and economic infrastructure. Component 3 supports agriculture and livelihood development. The component will focus on climate-change resilient agricultural production systems, livelihoods and food security of new land recipients, including facilitation and provision of support services and technical assistance. A demand-driven and market-oriented approach will guide support activities. Component 4 will ensure smooth project administration and coordination activities. The Ministry of Land Management, Urban Planning and Construction (MLMUPC) will be in the lead, together with implementing government institutions, the National Committee for Sub-National Democratic Development Secretariat (NCDDS) and the Ministry of Agriculture, Forestry and Fisheries (MAFF). The Project will include the 14 project sites in the currently 5 project provinces. Additional project sites will be selected, with priority provinces including Mondulkiri, Ratanakiri, Stung Treng and Preah Vihear. In total, 30-40 project communities and the areas where they are located are expected to benefit from the Project.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
LASED project had eight sites in seven communes in Kratie, Tbong Khmum and Kampong Thom provinces. LASED II continues to support and expand activities in these original areas as well as expanding to cover new sites in Kampong Thom. Currently there are a total of 14 sites in the provinces of Kratie, Tbong Khmum, Kampong Thom, Kampong Chhnang, and Kampong Speu. Under LASED III, with a potentially nation-wide coverage, the project implementation will continue to focus on the existing LASED II sites in the five provinces, plus the north-eastern provinces of Mondulkiri, Preah Vihear, Ratanakiri, and Stung Treng. In the provinces of Mondulkiri, Ratanakiri, Kratie, and Stung Treng, where indigenous communities are located, the project expects to support livelihoods and infrastructure in areas where ICLT has already been registered. In areas where the first two steps have been achieved, of the three-step process (recognition as indigenous community by Ministry of Rural Development (MRD), established as a legal entity by Ministry of Interior (MoI), and titling by MLMUPC), the project will support the final step of land registration towards an ICLT in the four new and two existing provinces of Kratie and Kampong Thom. At least 30 possible new sites are being considered and of which currently 18 are ICLT.

The target beneficiaries for LASED II sites have been the landless and land poor. Under the original LASED and LASED II no indigenous communities were affected. As part of LASED III the project will include indigenous communities. These have traditional ways of living and cultivate land in their possession according to customary rules of collective land use. In Cambodia there are 23 different indigenous groups (approximately 200,000 people) living mostly in the remote north-eastern provinces of Ratanakiri, Mondulkiri, Kratie and Steung Treng, which are four of LASED III’s six provinces in which support to indigenous communities will be provided. Indigenous communities are reliant on forest products in the surrounding environment, and while the development of the country tends to change the indigenous way of life, collectively-managed land is still the foundation of their livelihoods, social organisation, and identity. The National Policy on the Development of Indigenous People (NPDIP) (2009) aims to provide support and ensure that the development of Cambodia contributes to the betterment of indigenous communities.
Environmental characteristics are related to remnant forests and land use planning (LUP) process, which will delineate remaining patches of forests, bodies of water, and planned green buffers which are all declared for community conservation and protection. The Project Implementation Manual (PIM) of LASED and LASED II require the implementing agencies to screen each new project site to ensure that proposed locations are not in or part of protected forest or environmental hot spots. Screening process is conducted at provincial and commune levels. At the provincial level, screening process is participated by provincial technical departments. At the screening meetings, the participants work on the provincial “hot spots” map that indicates potential LASED area, surrounding areas, upstream and downstream areas and implications on environmental safeguards. Based on the screening meeting, a sketch map is developed which defines areas with potential for LASED and marks areas to be excluded. This process will then determine whether proposed area is suitable for LASED. Then, at the commune level, a preliminary evaluation team (provided with maps, GIS data and satellite imagery) visits and inspects the proposed LASED area and discuss with the Commune Council and local residents about the proposed LASED site. At this stage, the team completes the Environmental Safeguards Screening forms and revises the Sketch Map. The final map will exclude areas identified for LASED that directly or indirectly affects important natural habitats.

D. 2. Borrower’s Institutional Capacity

Implementation for LASED was through General Secretariat for Social Land Concession (GSSLCC) of the MLMUPC and the Secretariat of NCDDS of the MoI. Under LASED II implementation arrangements included MAFF- General Directorate of Agriculture (GDA) as a new national level implementing partner together with their counterpart Provincial Departments of Agriculture. The Project Management Team (PMT) currently consists of the heads of the three main implementation partners the Project Director (GSSLCC), the Project Coordinator (NCDDS), and the GDA Director General. Following the experiences in the LASED II project, the General Department of Housing (GDH), with its overall LASED responsibilities, the NCDDS and the GDA will retain the overall responsibility for the implementation, coordination and oversight of the LASED III project activities. The new, technical and legal aspects that will arise from inclusion of ICLT will be coordinated by MLMUPC working closely with NCDDS and MAFF. Third party organisations will continue to provide support towards information dissemination, beneficiary selection, and livelihoods and food security activities.

There is experience and capacity towards operationalising some of the World Bank Safeguards Policies. The Policy on Indigenous Peoples (OP 4.10), while triggered under the original project, was not triggered under LASED II and as such there is limited experience working under this policy. There has been initial training received on the Bank’s Environmental and Social Framework (ESF), and areas that will be new and potentially relevant include: broader scope of social assessment; labour and working conditions; community health and safety; free, prior, and informed consent for indigenous communities; and intangible cultural heritage. The involvement of MLMUPC and civil society organisations will be key in supporting activities, managing risks and impacts, and ensuring benefits to indigenous communities in compliance with national requirements and conformance with the Bank requirements.

The implementing agencies have been relying on operations advisors/consultants for the implementation of environmental management. Environmental and Social Officers (ESOs) dedicated to support LASED II are based in the capital city of Phnom Penh, with no assigned staff at the sub-national (provincial and/or district) level. Lessons learned from LASED II suggest that capacities and performance of these ESOs are varies among these agencies. While ESOs of MLMUPC and MAFF have less experience; ESOs of NCDDS’s safeguards working group have more adequate capacity and experience in the implementation of environmental management. However, due to heavy workloads in supporting other donor-funded projects at the national level coupled with high level of staff turnover, availability of
resources is found to be limited. Assessment of institutional capacity will be further conducted during the project preparation with the objective of identifying specific institutional capacity building measures (such as provision of additional resources and training needs) and incorporating these into the Environmental and Social Commitment Plan (ESCP). These measures aim to ensure ownership and sustainability of the dedicated resources. For example, LASED III would provide support for capacity building to the newly hired community development facilitators as well as Commune Council members of the new project sites. The engagement of other supporting partners (NGOs and/or private sector providers) will complement the IAs efforts and speed up adaptation and adoption of good practices. The Project’s ESMF will include a training need assessment (TNA) which consists of (i) stocktaking of previous training conducted by LASED interventions, (ii) assessment of current needs, and (iii) proposed topics for capacity building/training to be conducted.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) High

Environmental Risk Rating High

The Environmental Risk Rating is anticipated to be high for two main reasons. First, the type, location, sensitivity, scale, and physical considerations of the approximately 30 more sites are related to degraded forest areas, cancelled economic land concessions, and recovered illegally occupied lands, which would be reviewed by MAFF and the Bank to validate that the sites are in degraded forest areas. The project will build upon the experiences with LASED interventions and will adapt and implement the successful and well-established procedures under LASED and LASED II. Considering the nature, scale and location of the project activities, potential negative environmental risks and impacts are irreversible, expected to be site specific/localized, and mitigation measures are readily available as summarized in ESS1 section. Potential major environmental impacts and risks would result from (a) Land Use Planning process, which impact on biodiversity as proposed new project sites might include or be adjacent to areas with important natural habitats, which can be made an exclusion criterion in the screening process; (b) Small-scale community infrastructures and their construction-related impacts/risks such as noise, dust, sedimentation, erosion, waste disposal, management of storm water, community and workers health and safety; and (c) agricultural and livelihood development, which can impact on the health and safety of project-affected communities during the project life cycle, particularly in regard to the proper / safe use and handling of pesticides and chemical fertilizers. The project will not finance pesticides and chemical fertilizers; however, transformation of land ownership may potentially introduce new farmers to pesticide. (ii) Environmental impacts on the possible use of large amount of polybags for community plants/seedlings/nurseries.

Second, the Borrower’s capacity and commitment require continued supports of external consultants to manage risks and impacts in a manner consistent with the ESSs. The institutional arrangement is expected to be the same as the ones implemented under LASED II. With continued hands-on supports of external consultants (e.g. national operational advisors), an experienced team is in place that has gained ample experience under the LASED and LASED II projects where environmental issues were managed in line with established procedures under C/S PIM 2009. However, at the subnational level, current capacity in managing environmental impacts and/or risks is weak.
LASED III will hire new Community Development Facilitators who play a key role in coordinating, organizing, motivating, and training land recipients. These two key players have a very limited capacity and experience in environmental/NRM, hence require considerably number of trainings to build and strengthen capacity. The Project’s ESMF will include a training need assessment (TNA) which consist of (i) stocktaking of previous training conducted by LASED interventions, (ii) assessment of current needs, and (iii) topics for capacity building/training to be conducted under LASED III. Focus will be on land use planning, construction management and induction of new farmers to the potential risks of the agrochemicals they may use.

Other areas of risk are related to the success of agriculture livelihoods would be influenced by the resilience of farming systems to natural calamities and unexpected climate-induced hazard such as droughts and flash floods. Although, the risks are outside the control of the project, technology on climate smart agriculture would be promoted and viable water management investments would be supported under the project.

**Social Risk Rating**

The social risk rating is classified as High. While the project aims to deliver a range of benefits including economic development and community livelihood opportunities, project activities have the potential to generate significant social impacts, direct and indirect, due to the range of activities related to land consolidation, indigenous community lands, agriculture and infrastructure. The scale of the proposed activities, across sensitive locations (indigenous areas) and new focus on ICLT presents risks related to collective registration of indigenous communities’ lands. The project will support the process for LASED SLC site and ICLT, establishment of sustainable infrastructure and livelihood systems including land preparation, provision of social and economic infrastructure, agriculture support and livelihood development. Restrictions on access to land and natural and cultural resources resulting from these activities may impact on nature-based livelihoods and tenure of vulnerable or marginal households and communities where decisions may not be managed in a participatory manner. These potential adverse social impacts of the project, and the associated mitigation measures, may also give rise to social conflict or harm to some sections of the affected communities.

The success of this project for ICLT will to some degree be dependent on ensuring meaningful engagement, and Free, Prior, and Informed Consent (FPIC) to deliver on project objectives. There will be a need to strengthen existing capacity of the range on agencies and institutions to manage such complex and inclusive stakeholder engagement and FPIC and to avoid elite capture. Reviewing and strengthening of existing frameworks and processes will be required for LASED SLC site and for ICLT sites development processes and systems will need to be established and informed by a social assessment.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

*Overview of the relevance of the Standard for the Project:*
LASED project (P084787) ran from 2008 to 2015 supported LASED sites in seven communes in Kratie, Tbong Khmum, and Kampong Thom provinces. In total 3,148 households were provided 10,273 hectares across the seven LASED sites. The sites were mainly sourced from degraded forest lands and partially through recovered illegally occupied lands, however this latter category was not used for sites. No land was available from cancelled economic land concessions at the time of site identification nor sourced from privately owned land. The process for land selection included environmental and social screening and development of land use planning with beneficiary households. The process for selection of beneficiary households (landless and land poor) is informed by a number of indicators which take into account nationality, household size, income, land ownership (or lack of), willingness to be part of project, vulnerability and disability. The beneficiaries were provided with land and materials for housing and agriculture and capacity building in agricultural activities through demonstration activities such as chicken raising, pig raising, composting, rice production/intensification, planting of fruit trees, home gardening, and vegetable production and marketing. Community infrastructure was provided in form of roads, health posts, community halls, water wells and primary schools. Non-governmental organisations (NGOs) were key stakeholders in ensuring information dissemination, and transparency and oversight in the selection process of land recipients.

Both LASED II and LASED III build on the lessons learnt to support existing and new sites through similar models and activities under the original project. LASED II (P150631), operational since 2016 and expected to close in 2021, covers 14 sites in the five provinces of Kratie, Tbong Khmum (formerly part of Kampong Cham), Kampong Thom, Kampong Chhnang, and Kampong Speu. The sites cover those supported by the original project and expects to allocate a further 17,000 hectares to benefit some 5,150 households. Activities under LASED II include: site planning; infrastructure (housing, primary schools, health posts, teacher and health worker accommodation, community centres, market) agriculture (land, annual and perennial crops, grazing, poultry; food stores); water (irrigation, wells, ponds, dams and pipelines, pumps and drainage, water tanks); primary supply (rice – Food for Work, agriculture start up – fruit trees; vegetables (seeds); poultry; household start-up – housing material; solar lamps) and roads (connecting main roads, residential, and agricultural). LASED III expects to expand activities to the provinces of Mondulkiri, Preah Vihear, Ratanakiri, and Stung Treng. Activities planned under LASED III for current sites include mainly irrigation related infrastructure investments. In the new provinces, where indigenous communities exist, support on livelihoods and infrastructure development similar to LASED II but based on needs of the communities, will be provided for those groups with ICLT in place, while those communities working towards ICLT will be provided support towards achieving registration and ICLT.

Key social risks and impacts relate to: Process for LASED SLC site and ICLT, establishment of sustainable infrastructure and livelihood systems including land preparation, provision of social and economic infrastructure, agriculture support and livelihood development. The project has the potential to benefit but also adversely impact individual people, indigenous communities, and those that are vulnerable, marginalised and/or excluded. Some of the potential benefits and adverse impacts risk creating further conflict, discrimination, harm, vulnerability, exclusion and marginalisation, whether intended or not. Potential risks stem from perceived or real inequality relating to: engagement approaches and any groups excluded from that process, and project benefits, and prioritization and selection of project activities that benefit one group over other community groups.

For those existing sites that may get irrigation investments, and where baseline surveys are in place, a site-specific social assessment is not seen as necessary. Screening is undertaken for social risks and impacts for infrastructure investments and the screening tools will be updated to ensure the coverage of broader social risks covered under the
standards in the ESF. For new sites involving indigenous communities as sole beneficiaries, to understand and address project related risks and impacts, a social assessment will be prepared prior to appraisal to inform project design and project level social risk management framework, also to be prepared prior to appraisal. LASED III many also support the establishment of new LASED sites and site-specific social assessments should be undertaken following identification in order to understand risks and impacts and measures necessary to address those. These should then inform the site planning process and community operations manual.

For environmental impacts and mitigation measures:
1). Land use planning, allocation and demarcation will delineate remnant forests within the project sites that maybe affected during land development. As successfully practiced under the LASED and LASED II, Project Management Team (PMT) will ensure that the participatory Land use planning process includes environmental precaution measures such as considering the environmental carrying capacity and delineate environmental and social hotspots: any known tangible and intangible cultural places, natural streams, remnant forest or habitats for protection and conservation. This process will also ensure that the project site plans are developed based on the agricultural-ecosystem situations, and that they are incorporated into the five (5) years Commune Development Plan (CDP) and Commune Investment Plan (CIP). The sustainability of the project site development (including provision of infrastructures and services) is strengthened through this approach as they are mainstreamed into commune development agenda.

2). Small-scale community level infrastructure and livelihood activities are expected to cover (i) rural and agriculture roads, access tracks, small-scale irrigation systems, rural water supply and sanitation; and (ii) community buildings such as schools, teacher houses, health posts and community centers. Typical impacts of small-scale civil works include limited land clearance, temporary erosion, sedimentation of water bodies, dust, waste generation and disposal, noise, management of storm water, community and workers health and safety, possible use of large number of polybags for community plants/seedlings/nurseries, and agricultural-related impact on soil and water. These impacts are temporary, reversible, and readily managed through mitigation measures in the ESMF.

3). Agricultural and livelihood investments have potential impacts on: (i) the health and safety of project-affected communities during the project life cycle, (ii) environment through the possible use of large amount of polybags for community plants/seedlings/nurseries, and (iii) agricultural-related impact on soil and water. These impacts can be managed through:
   a) Awareness-raising on environmental issues (e.g. proper disposal of polybags from demonstration plot, etc.) by community development facilitators and specialized NGO who facilitate preparation of community proposals.
   b) The provision of training and capacity building for participating community regarding the proper use and safe handling of hazardous materials (e.g. pesticides, chemical fertilizer and soil amendments).
   c) Measures to promote soil-water conservation, proper land use planning and reduce agricultural discharge to surface water through runoff of pesticides, chemical fertilizers and manure. The team will assess if only good agriculture practices (GAPs) will be applied.

Areas where “Use of Borrower Framework” is being considered:
Not applicable.

ESS10 Stakeholder Engagement and Information Disclosure
The planning for the sites and implementation of the land use plan is a very participatory process. A civic engagement framework has been put together to support LASED, which guides discussions and consultations with involved and
interested stakeholders and observers, to ensure that activities are undertaken in a transparent and participatory manner, and that service providers are accountable. The framework and PIM identifies roles for a range of interested and affected stakeholders including: civil society organisations, Commune Councils, beneficiaries also known as Target Land Recipients (TLRs), Community Support Groups, District Working Group (DWG), Provincial Administration, Provincial Land Use Allocation Committee (PLUAC), the PMT as well as provincial technical departments (typically land, forestry, agriculture, water resources, environment, culture and heritage, mines and energy; Cambodia Mine Action Center (CMAC)), women’s affairs) as well various government stakeholders at the national level. Additional affected stakeholders groups for LASED III will include representatives from indigenous communities as well as members of the communities themselves. Other interested stakeholders will be identified as part of the preparation.

The framework provides guidance on ensuring participation from all relevant stakeholders to ensure a strong community involvement in the project and, if implemented well, covers the requirements of this standard on meaningful engagement, information disclosure and grievance redress. The PIM provides a step by step process, from initiating and screening for LASED site, through establishing support mechanisms for development, and takes into account participatory planning and the selection of beneficiaries.

For existing sites there is a need to ensure that the engagement structures are in place, and that the grievance redress mechanism remains operationalised across the sites effective systems in place for informing, recording, assessing and responding to grievances. For new LASED sites the civic engagement framework should be reviewed and revised to address any gaps between it and the requirements of this standard and ensuring that effective systems are in place for grievance redress including support through various social accountability initiative currently supported by the Bank and various development partners. For working with indigenous communities in ICLTs, a stakeholder engagement plan (SEP) should be developed in lines with requirements under this standard and based on risks and impacts identified under other relevant standards. The higher-level engagement framework and plan should inform the community operations manual for each site. Stakeholder engagement as also covered under each standard where relevant.

As part of the information disclosure arrangement, relevant E&S instruments including the SEP and ESCP will be appropriately disclosed including in the relevant provincial offices and ministry websites. Meaningful consultation for the ESCP, SEP and other E&S instruments, as appropriate, with relevant stakeholders will be conducted prior to appraisal and stakeholder engagement will continue as necessary on project E&S risk management throughout the life of the project.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Project workers include the government’s own staff and consultants (direct workers), employees of contractors and subcontractors (contract workers), people employed or engaged in providing community labour (community workers) and primary supply workers. Some project activities are expected to require community workers, contract
workers and primary supply workers as defined in ESS2 paragraph 2. The legal framework regulating labour and working conditions is found in a variety of different instruments.

The Constitution spells out principles for workers’ access to labour and protection. It covers most international labour standards, including non-discrimination, child labour, other prevention of exploitation, and trade unions. The 1997 labour law defines non-discrimination in employment and in wages. It establishes a minimum wage level, which may vary among regions. Working hours are limited to 8 hours per day, 6 days a week. A whole chapter in the Law is dedicated to health and safety in the workplace. The Law also covers those who work for subcontractors. However, a need to update the labour law has been identified. All eight fundamental ILO conventions have been signed, the latest one in 2006 in relation to child labour. However, the labour law defines 12 years old as the minimum working age for children. The law does not cover domestic helpers who are likely to include very young workers. Types of work that are allowed for 12 to 18 years old are defined in additional documents but in a rather lose manner. The Prakas on the Prohibition of Hazardous Child Labor (2004) allow hazardous work for well-trained children above 16, provided it is not night work. Considering some of the activities including primary supply of agriculture, food and housing (timber) materials there are potential risks of child work and child labour. Given that the project will require contract workers and community workers, labour management procedures together with a grievance procedure will need to be prepared and included in the relevant bidding documents as well as the and community operations manual. In addition to measures for conflict resolution in the community operations manual, the contractor documents should also include codes of conduct measures on the sensitisation of workers on issues related to gender-based violence.

Labour management procedures (LMP) and worker grievance procedure should be prepared as part of the Environmental and Social Framework (ESMF).

The project will fund small-scale community level infrastructures, include: (i) community infrastructure such as rural and agriculture roads, access tracks, small-scale irrigation systems, rural water supply and sanitation; and (ii) community buildings such as schools, teacher houses, health posts and community centers. Potential environment, health and safety impacts associated with these construction activities are expected to be temporary, site specific/localized, and readily managed the project’s ESMF, which include occupational health and safety (OHS) for construction workers is in place, including (i) provision of proper PPE, (II) adequate training for workers, (iii) documentation and reporting of occupational accidents/incidents/diseases, (iv) emergency prevention and preparedness and response arrangements to emergency situation, and (v) remedies for adverse impacts such as occupational injuries and diseases.

The ESMF will contain an outline / template and table of contents for an OHS plan for specific works will incorporate specific and detailed provisions on the brad topics mentioned above. OHS procedures will be applicable to all project workers, including of the implementing agencies, contractors and subcontractors, community labor and primary suppliers. Specific attention will be given to sensitization and training of community workers on OHS risks, and the technical knowledge and behavioral awareness to minimize them.

PMT will ensure that all tender documents for civil works include site specific environmental management plan (EMP) and/ ECOP, budget provisions for all OHS provisions as well as other costs associated with labor management (e.g. the operation of a grievance redress mechanism). PMT will regularly monitor the contractor’s performance in
implementing OHS measures. Project’s regular reporting system should include project’s performance on the OHS implementation.

**ESS3 Resource Efficiency and Pollution Prevention and Management**

Resource efficiency, pollution prevention and other environmental management responsibilities will be part of the ESMF, which will cover:

1). Small-scale community level infrastructure. Construction-related impacts/risks such as noise, dust, sedimentation, erosion, waste disposal, management of storm water, community and workers health and safety. Risk management will include:
   a. Environmental screening is properly implemented.
   b. Application of good engineering designs and good practices for construction by incorporating environmental mitigation measures in the technical design and tender documents.
   c. Occupational, health and safety (OHS) is in place including (i) provision of proper PPE, (ii) adequate training of workers, (iii) documentation and reporting of occupational accidents/incidents/diseases, (iv) emergency prevention and preparedness and response arrangements to emergency, and (v) remedies for adverse impacts such as occupational injuries and disease.
   d. Pollution prevention and management, including solid and liquid waste, sewage, hazardous waste as well as spill prevention and response measures.

2). Agricultural and livelihood development. Associated potential risks and impacts are localized, site specific and manageable with known technical approaches, include:
   a. Impacts on the health and safety of project-affected communities during the project life cycle, particularly with regards to proper/safe use and handling of pesticides and chemical fertilizers. Activities and investment under this category will not involve purchase and distribution of pesticides or related application equipment, and they are not expected to result in significant increase in pesticide use. Lessons learned from the LASED interventions that the participating communities relied solely on crop rotation, inter-cropping and multiple cropping to manage pests and diseases rather than using pesticides, which is aligned with MAFF’s efforts to promote the adoption of good agricultural practices (GAPs). Good agricultural practices will continue to be promoted and supported under LASED III. Following a precautionary risk management approach, outreach, training and capacity building for participating communities will inform on safe use and handling of all agrochemicals, including pesticides, chemical fertilizers and soil amendments.
   b. Environmental impacts on the possible use of large number of polybags for community plants / seedlings / nurseries. Risk management will include awareness raising on environmental/NRM issues (e.g. proper disposal of polybags from demonstration plot, etc.) by community facilitators and specialized NGO who facilitate preparation of proposals. Also, the segregation and disposal as a separate waste stream will be described in the ESMF.
   c. Agricultural discharge to surface water through runoff of pesticides, chemical fertilizers and manure to minimize this risk, ESMF will include mitigation measures to reduce agricultural discharge to surface water through runoff of pesticides, chemical fertilizers and manure. A few examples include: (i) minimization of use of all agrochemicals; (ii) application of agrochemicals in the dry season, with enough time for adsorption / processing; (iii)
introduction of buffer zones to important water course, especially rivers, ponds and lakes used for irrigation, drinking water supply or aquaculture.

**ESS4 Community Health and Safety**

Community health and safety impacts and risks include increase in potential for communicable diseases, vector borne-diseases, soil-, water-, and waste-related diseases, food and nutrition related issues, accidents and injuries, veterinary medicine and zoonotic diseases, hazardous materials related health issues, noise, and health and safety issues arising from construction activities close to community facilities. Based on the data available on gender-based violence from Cambodia, there is potential risk in relation to the activities being proposed. LASED sites have provision for provisions for health posts so impacts related to ability to access appropriate health services and capacity of the health systems to address emerging health and safety impacts, will be limited. As part of the social assessment for ICLT part of the project, community health and safety issues specific to the indigenous communities should be assessed. For LASED sites the baseline survey forms should be reviewed to ensure sufficient coverage and understanding on community health and safety and to inform infrastructure planning, livelihoods support and impact assessments. All instruments need to be informed by a gender lens and should consider universal access. Any community health and safety measures need to be reflected in the revised engagement framework and SEP, ESMF, revised PIM and community operations manuals. The existing LASED model pays close attention to gender dynamics and inclusion including putting in place conflict resolution to help mitigate potential risks including for gender-based violence.

As part of participatory Land Use Planning (LUP) process/methodology, the Project Manual of LASED and LASED II require the implementing agencies to screen and assess each new project site about potential impacts on ecosystem services (e.g. whenever land cover is changed, e.g. from degraded forest area to agricultural area). Construction activities may pose potential safety concerns for the communities within the vicinity of works especially when construction is carried out near a community. The ESMF will evaluate the risks and impacts to the health and safety of the affected communities during the project life-cycle and will establish preventive and control measures including (but not limited to) effective measures to:
- Avoid and minimize community exposure to project-related traffic/road safety risks (due to trucks movement carrying construction materials), and provisions on the safe handling, transportation and disposal of the hazardous materials (pesticides/chemical fertilizers and soil amendments).
- Address emergency events and procedure of response arrangements to emergency, particularly if the participating SLCs are located within the highly risks of natural disaster and climate risks (e.g. droughts and flooding).
- Avoid and minimize community exposure to health issues such as water-borne and vector-borne diseases through adequate implementation of proper waste management.

In addition, the proposed project aims to continue the application of the Climate Smart Agriculture program that is currently being implemented under LASED II. Beneficiaries’ exposure to disaster and climate risks would be mitigated through water management and small-scale irrigation investments built to be climate resilience.
ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Existing sites will not require further land. For any new LASED sites the project will only acquire land that is made from the cancellation of the economic land concession, through recovered lands from illegal occupation, and from degraded forest lands. The project will try to avoid, and then minimise acquiring land that involves the displacement of any persons and or their resources. Under both the original and LASED II projects a Resettlement Policy Framework (RPF) was in place but the activities did not require Resettlement Action Plans (RAPs) to be developed. The LASED II RPF provides a process and approach to minimise potential loss of land or assets as a result of LASED site selection processes. It also covers potential for displacement, economic and physical, from infrastructure investment that might need some land acquisition.

The land law states that any land user without a legal land title is an illegal occupant. The law does provide for any person the right to request a definitive land ownership title after five years of peaceful occupancy prior to 2001. However, in practice, national stakeholders do not recognise this provision as relevant to manage land acquisition in investment projects, and anyone without a full legal land title is often considered as an illegal occupier. In the case of LASED a cut-off date in put in place to address encroachment while avoiding displacement of those who may be considered illegal occupants.

For LASED III the need and understanding for the RPF remain the same as previous phases of LASED and to offer similar protections. The RPF will be reviewed and revised and to take into account any relevant findings from lessons learned in LASED II. Land and land acquisition as they relate to indigenous communities and ICLT is discussed under ESS7.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Lessons learned from LASED II participatory site selection process has included measures to ensure that the project sites are outside/cut-out from areas with reserved forests or biodiversity corridors. This approach was conducted successfully, hence LASED III aims to continue this approach. Within this context, the ESMF will include screening of the new project sites on:

- Types of habitats potentially affected. A clear understanding of geographic location of the activities and potential areas of concern related to relevant (modified, natural or critical) habitats. Activities with significant risks and/or adverse impacts on biodiversity and those contribute to significant degradation of critical natural habitats will be excluded from financing.

- Potential risks to and impacts on the ecological function of the habitats. The screening or initial assessment will then determine how ESS6 is to be applied to the proposed project. Based on the initial assessment, where significant risks and adverse impacts on biodiversity have been identified, the Government will develop and implement a Biodiversity Management Plan (BMP) prior to undertaking any project-related activities at the relevant new project sites.

The ESMF will also consider induced/indirect and cumulative project related impacts on biodiversity and ecosystem services from the project development interventions. Better infrastructure and improved livelihood could attract more people to move into the new project sites. It needs continuous commitment of the Commune Councils to protect and manage their local natural resources. One example that is viable for the proposed project is to mainstream environmental/NRM agenda into the Commune Development or Investment Plans (CDPs/CIPs).
of Community Development Facilitators and the Commune Council members are crucial; hence training and capacity building for these two agencies are needed.

At the implementation stage, the proposed project aims to implement the following risk management measures:
- Project Management Team (PMT) and the Project Implementation Manual will ensure that the environmental risk management is in place and implemented as part of the LUP process by taking into account the environmental carrying capacity and delineate natural habitats for protection and conservation (practiced under LASED II). This includes ensuring that the SLC plans are developed based on the agricultural-ecosystem situations and incorporated into the five (5) year Commune Development Plan (CDP) and the annual Commune Investment Plan (CIP). The sustainability of the project sites (including infrastructures and services) is strengthened through this approach as they are mainstreamed into commune development agenda.
- Training and capacity building for community development facilitators to provide support to the Commune Council Member to ensure environment/NRM is well integrated into the Planning process.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

The indigenous communities of Cambodia include the Phnong, the Khuoy, the Tomphuon, the Jaray, the Kroeueng, the Preuv, the Kavaet, the Stieng, the Kraul, the Mil, the Kachok, the Poar, the Khaogn, the Chhoung, the Suey, the Thmon, the Lun, the Suuy, the Rodae, the Khe, the Roong, the Stung, the Loeun, the Somrae and other indigenous minorities (Cooper, 2019). This NPDIP lays out many sectoral policies for supporting indigenous communities such as culture, education, vocational training, health, environment, land tenure, agriculture, water resource, infrastructure, justice, tourism, and extractive industry policies.

Under the original LASED project guidelines were developed and used for avoiding land predominantly occupied by indigenous communities. The selection criteria were also informed to ensure they were objective and did not discriminate against certain groups and the process allowed indigenous communities to access project benefits. However indigenous communities were not present in LASED sites under the original LASED project and for the LASED II sites there were no indigenous communities in the pre-identified areas and as such the policy was not triggered. For LASED III activities are planned in areas home to the majority of the country’s indigenous communities. The project expects to support livelihoods and infrastructure in areas where ICLTs have already been registered. While in areas where only the first two steps have been achieved, of the three-step process, the project will support the final step of land registration towards an ICLT. Those indigenous communities that have achieved ICLT and may be supported by LASED III include in Ratankiri (Indigenous Tompoun, Indigenous Jarai, Indigenous Prov, and the Indigenous Kroeng), Mondulkiri (Indigenous Pou Nong), Kratie (Indigenous Pou Nong, Mil Indigenous and the Kraol Indigenous), and Stung Treng (Indigenous Prov). Those indigenous communities that have completed the first two steps of the ICLT process and may be supported by LASED III include in Ratankiri (Indigenous Jarai, Indigenous Prov, and the Indigenous Kroeng), Mondulkiri (Indigenous Pou Nong), Stung Treng (Indigenous Pou Nong), Preah Vihear (Indigenous Kuoy), and Kampong Thom (Indigenous Kuoy).

Indigenous people’s rights are guaranteed by the 1993 Constitution. Their rights to land are stipulated in the 2001 land law, the 2009 NPDIP and other related legal instruments. The 2001 land law clearly articulates the land rights of indigenous people and also defines an indigenous community. The forest law recognises the indigenous communities
that are recognised in the land law. The land law provides an explicit explanation on the collective ownership of indigenous communities’ land in terms of collective land titles with the implementation of rights to ownership regarding immovable property of indigenous communities and specific conditions of land use are under the responsibility of the traditional authority, and the community’s decision-making mechanism is in compliance with their traditional practices. Consistency between the land law and NPDIP enhances the rights of communities regarding land registration towards an ICLT. To date, through mainly support from civil society organization, 143 indigenous communities have been recognised (step 1 of the ICLT process) by the MRD, of which 137 have obtained certificate of legal identity (step 2) by the MoI. Once a community starts the process and puts in application for an ICLT an interim protective measure is put in place. In line with sub-decree 83 the communities have to identify 5 categories of land (residential, cultivated, reserve, spiritual forestland, and burial ground forestland) on a preliminary map. Only 24 communities, with the support of MLMUPC, have managed to achieve step 3 of land registration. The process is lengthy and complicated, and which may prevent some communities from participation. If, as a result of the project, a review, could be undertaken to simplify the process, more communities may be encouraged to take ownership of their rights and land. Other challenges also exist in terms of differences between allocation for each category of land and claims by the communities. Awareness raising on the process because of the project could also prove beneficial.

A recent development is the Environment and Natural Resources Code (ENR Code) drafting, which started in 2015 and has not yet been adopted. The current version of the code may not be consistent with provisions under other legal texts. The draft Code does contain strong FPIC provisions, but it is not completely clear if they cover all government decisions that might impact indigenous communities’ lands and natural resources.

While there are many benefits there are also potential risks to the collective registration of indigenous communities’ lands. Adverse impacts related to the risks of elite capture and intra-community conflict will need to be avoided.

A social assessment for ICLT should be undertaken prior to appraisal to inform project design and the development of the Indigenous Peoples Planning Framework (IPPF). The assessment should including analysis of the legal and institutional context in order to identify risks and impacts associated with the ICLT process. Recommendations from this analysis should be aimed at building a knowledge base for stakeholder engagement and the participatory development of plans to support the communities. The assessment will identify and assess the potential social impacts of proposed activities, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures. The social assessment will also assess the degree to which the project may ease or exacerbate existing tensions and inequality within society and the degree to which the project may be negatively affected by existing tensions, conflict and instability. The assessment will set out Terms of Reference (ToR) for detailed social impact assessment and management plans of specific activities and consider the adequacy of the participatory processes and procedures currently used for ICLT. The ToR may have different requirements and methodology for project activities depending on the location, the indigenous communities benefitting, and the particular social characteristics and nature of project activities. The IPPF will include requirements on preparing community specific social assessments and risk screening, and the preparation of community land registration, infrastructure and livelihood plans that are consistent with the requirements of this standard, and where necessary (e.g. where the final stage of ICLT needs to be completed) where the requirements on FPIC need to be applied.
Where the project solely benefits indigenous communities, engagement will need to be undertaken with the relevant communities to ensure their ownership and participation in project design, implementation, monitoring and evaluation. The engagement should be culturally appropriate and inclusive through addressing any constraints to participation. A separate plan is not needed if the elements of the plan are included in the community operations manual for those sites.

There is a possibility that some indigenous households may form part of an LASED area and in which case indigenous communities will not be the sole beneficiaries. Here the concerns and preferences of the different communities will need to be addressed through meaningful consultation as part of the planning and operationalisation of the LASED site.

ESS8 Cultural Heritage

The cultural spaces for indigenous communities will include ancestral lands, forests, pasture, residential and agricultural lands, hunting grounds, worship areas, and lands no longer occupied exclusively by indigenous cultural communities but to which they had traditional access, particularly the home ranges of indigenous communities who are still nomadic or shifting cultivators. Residential, reserve, spiritual forestland, and burial ground forestland identified and mapped as part of the ICLT process will need to have measures in place for protecting these areas and ensuring access for those communities. Indigenous communities’ traditional land use systems, particularly shifting cultivation is considered cultural heritage and is part of the five types of land that need to be identified and mapped as part of the process for achieving ICLT. Such practices have long been contributing to the sustainable livelihood, food security, sustainable natural resources management, and biodiversity conservation and enhancement. Any work with indigenous communities should be mindful and take into account the indigenous communities’ ability and need to exercise their rights to practice and revitalise their cultural traditions and customs and to preserve and to practice their languages. This is particularly relevant to land use planning, infrastructure design, including housing, and support with respect to agricultural practice.

For those sites with ICLTs in place cultural heritage, sites may have been identified but information on intangible culture aspects may have not been captured. The social assessment should capture this information as relevant to project design and to inform activities using principles of informed consent to capture that information. For support to communities towards an ICLT process the mapping represents an opportunity to capture information on both intangible and tangible culture and the social assessment should capture any gaps and how they could be addressed.

A cultural heritage protection framework was developed for LASED and will be reviewed and revised to take into understanding of cultural heritage for ICLT and existing LASED sites.

Whilst there may be not such a risk landscape of heritage sites in LASED II sites in areas not home to indigenous communities there is still the potential for cultural heritage to be found. Project activities have the potential to impact and limit access to tangible and intangible cultural heritage. Once new sites have been defined, scoping for cultural heritage through meaningful consultation with relevant stakeholders would need to be undertaken, to inform the development and operationalization of the chance finds procedures. Depending on the outcomes of the
scoping, a cultural heritage assessment may have to be undertaken including to inform the cultural heritage protection framework.

For existing LASED sites ensure that screening takes into account requirements under this standard and that the measures including chance finds procedures are being effectively implemented.

Any process for LASED sites, including ICLT, whether it is scoping, mapping, development of the chance finds procedure and assessment, if undertaken, will need to take into consideration the different interpretations of cultural heritage by different communities and the importance they place on them. Women and girls have different attachment to spaces and their own cultural heritage than men and boys and this needs to inform the process of identification, understanding impacts, and in the development of appropriate measures.

ESS9 Financial Intermediaries
The project is not expected to make use of Financial Intermediary.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways
The project is not expected to relate to any known international waterway.

OP 7.60 Projects in Disputed Areas
The project will not be located in an area under legal or international dispute nor competing territorial claims.

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners
LASED and LASED II benefitted from the additional technical assistance provided by the German Agency for International Cooperation (GIZ). That support was crucial in the initial support to agriculture-based livelihood development in the project communities. Under LASED III involvement of other, alternative or additional partners for the provision of technical assistance and capacity building will be explored as well as potential trust fund resources.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:
Environment and Social Commitment Plan (ESCP).
Social Assessment for ICLT.
Stakeholder Engagement Plan and Grievance Procedure for ICLT.
Safeguards instruments as part of the ESMF from earlier projects will be reviewed and either revised or prepared anew to fit the purpose of LASED III: Screening; Resettlement Policy Framework; Indigenous Peoples Planning Framework; Procedure for Engagement, and Cultural Heritage Protection Framework.

ESMF will also include Labour Management Procedures including Worker Grievance Procedure and measures to address Community Health and Safety.

Review and Revision of Civic Engagement Framework for LASED SLC site for new and existing sites.

Budget, staffing and operational arrangement requirements for project environmental and social risk management.

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

Site specific social impact assessments for new LASED SLC sites and ICLT sites.
Revised PIM and Community Operations Manual to cover: engagement and grievance procedure; labour and working conditions including worker grievance procedure; community health and safety including grievance redress for gender-based violence and incident reporting; resettlement action plans as needed; community land registration, infrastructure and livelihood plans taking into account FPIC; and management of cultural heritage.
Contractor Bidding Documents and Plans for civil works to cover requirements on site-specific EMP, labour and working conditions, health and safety and codes of conduct.
TORs for Community Development Facilitators to include provision for supports to the Commune Council Members in ensuring environment/NRM is well integrated into the Planning process.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

28-Oct-2019

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: Kingdom of Cambodia

**Implementing Agency(ies)**

Implementing Agency: Ministry of Land Management Urban Planning and Construction (MLMUPC)
Implementing Agency: Ministry of Agriculture, Forestry and Fisheries (MAFF)
Implementing Agency: National Committee for Sub-National Democratic and Development Secretariat (NCDDS)

**V. FOR MORE INFORMATION CONTACT**
## VI. APPROVAL

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
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