



Initial Poverty and Social Assessment

Project Number: 40253
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Cambodia, Lao PDR, Viet Nam: GMS Biodiversity Conservation Corridor Project

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	Cambodia, Lao PDR, Viet Nam: GMS Biodiversity Conservation Corridor Project		
Lending/Financing Modality:	Project Loan /Grant	Department/ Division:	Southeast Asia Department Agriculture, Environment and Natural Resources Division

I. POVERTY ISSUES

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy³

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

Linkage to the National Poverty Reduction Strategies

The Regional GMS Biodiversity Corridor Conservation Project PPTA will carry out a feasibility to upscale pilot activities already under implementation in the period 2006-2009 under the GMS CEP-BCI, Core Environment Program and Biodiversity Conservation Corridors Initiative (ADB RETA 6289). One of the components of BCI under RETA 6289 is poverty reduction. Current activities under the Pilot phase of BCI have included: (i) creating livelihood opportunities for households in the Biodiversity Corridors; (ii) providing access to grants and micro loans through village and commune revolving funds in the BCI target villages and communes enabling the beneficiaries to embark on livelihood activities; and (iii) providing seasonal and project related employment opportunities in forest restoration, nursery and seedling raising, and carrying out biodiversity assessments in the corridors. The revolving funds, cash based employment and capacity building for alternative livelihoods are all in line with the poverty reduction strategies in Cambodia, Lao PDR and Viet Nam. In many areas of the subregion, the extent of poverty is directly related to the degradation of natural resources on which the poor are heavily dependent. As sustainable environmental management is a critical aspect of the poverty reduction, and since natural resources directly serve as the poor's major income source, the GMS Biodiversity Corridor Conservation Project (PPTA) is contributing to implementation of the poverty reduction strategies in Cambodia, Lao PDR, and Viet Nam.

Linkage to Country Partnership Strategies

ADB's Cambodia Country Strategy and Program (CSP) 2005-2009, has adopted a poverty reduction strategy that emphasizes stronger, governance for sustainable development. Cambodia's CSP Mid-term Review 2005-2009 calls for sustaining rural livelihoods through subregional "new agriculture" solutions responsive to climate change and its impacts on land, water and biodiversity efforts to which the BCI project could effectively contribute. In the Lao PDR CSP 2007-2011, the focus of ADB support for the environment coincides with the identified BCI project components, namely: (i) sustainable financing for environmental management; (ii) biodiversity protection; and (iii) watershed management. The Viet Nam CSP, 2007-2010, envisaged support to natural resource management, with emphasis on the link between resource depletion and poverty, to be addressed through, among others, biodiversity and livelihood improvement, on which the BCI project addresses.

Linkage to the Regional Strategic Framework/Country Partnership Strategies

The project is in line with the GMS 10-Year Strategic Framework's (SF) thrust: "Protecting the environment and promoting sustainable use of shared natural resources". Its pursuit will be an important step in fulfilling the GMS SF's Mid-term Review recommendation to place more emphasis on soft aspects of GMS cooperation, as the project will enhance arrangements for securing critical ecosystems and environmental quality in GMS economic corridors.

B. Targeting Classification

1. Select the targeting classification of the project:

General Intervention Individual or Household (TI-H); Geographic (TI-G); Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

The Project will focus on geographically defined specific transboundary areas located within the GMS economic corridors. Within this geography, project will design the establishment and maintenance of biodiversity corridors in order to reduce fragmentation and increase landscape approaches to environmental and forest ecosystem management. One of the premises of sound conservation and sustainable management is poverty reduction or demonstrating direct impact of project activities in creating income generation and livelihood opportunities for the local beneficiaries.

C. Poverty Analysis⁴

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?
Poverty and social assessments already conducted under RETA 6289 will be updated under the PPTA in the core areas (BCI

Pilot Sites) in Cambodia, Lao PDR, and Viet Nam. The poverty impact assessments will follow a basic outline of comparing poverty incidence nationwide with that of the targeted Provinces and geographical focus; a desk review will be useful on the question whether over the last five years some statistical changes may have occurred but these may be minor. A more comprehensive assessment through questionnaires etc has been conducted in one BCI Pilot Site in Lao PDR on the impacts of RETA 6289 perceived by the beneficiaries and stakeholders. During the PPTA, this could be expanded to cover at least one other country for comparison.

2. What resources are allocated in the PPTA/due diligence?

A Livelihoods / Social Development (ethnic minorities) Specialist is envisaged to carry out assessments based on project implementation work and results achieved under BCI Pilot project (RETA 6289). Current impacts and consultation among beneficiaries will aim at paying particular attention to obtaining full, free and prior consent is obtained from communities where project components are being considered for inclusion in the investment framework.

2. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

The BCI Pilot Project under RETA 6289, a precursor of the PPTA, has already pro-poor design in its approach and one of its components is about poverty reduction and livelihoods improvement by providing cash based employment, improving access to financial resources for livelihood activities, and building capacity to benefit from alternative livelihood opportunities in processing and marketing of products emanating from the BCI Pilot Sites.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

Primary beneficiaries are all households in a Biodiversity Corridor area targeted. Under RETA 6289 a socio-economic assessment was undertaken to assess how many households fall under which poverty category. The Village or Commune Revolving Fund is managed by a Committee, which considers all applications made by poor households and indicates which applications may not be given consideration due to the wealth status of the household. In the initial stages, this has been technically advised and guided under RETA 6289 by both state and non-state implementing partners of the BCI to ensure social inclusion and proper targeting of poor.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The beneficiaries are seeking to incrementally improve their output from agriculture, such as increase in rice production and thereby decrease in food hunger or food shortages; they are also seeking skills and micro loans to process their non-timber forest products or hone artisanal skills to acquire additional income to supplement their current low cashflow. Furthermore, the beneficiaries have received (under RETA 6289) additional cash benefits from employment opportunities, such as forest restoration activities; hereby households have participated in forest clearing, planting, and maintaining forest restoration areas. Some households have started nurseries and sold the nursery seedlings for forest restoration to the project and fruit seedlings to local buyers. Both skills improvement and cashflow incremental increase are expected to fulfill their priority needs.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

Market fluctuations and macro-economic growth stagnation or recession may dampen some of the opportunities but this is hoped to be of short duration or rather cyclical in nature. The project is promoting NRM based activities that enable the poor households to add value to raw materials and products which are of demand in local markets and through market linkages is creating opportunities for increasing sales and product quality diversification. Potential constraints could also be some political unrest or war, which is an external factor outside the control of the Project. However, growth in the GMS and the Peace Dividend achieved shows that countries of the GMS are moving towards more and more political stability and high growth.

B. Consultation and Participation⁵

1. Indicate the potential initial stakeholders.⁶

The PPTA develops and scales up by taking results of ADB RETA 6289 on BCI implementation in Pilot Sites. Hence the primary institutional stakeholders are the state implementing agencies in Cambodia, Lao PDR, and Viet Nam at national level such as MoE, WREA, and MONRE, as well as the provincial governments and relevant provincial departments such as the Governorate of Koh Kong and Mondulakiri Provinces in Cambodia, PAFO and DAFO in Champasak and Attapeu provinces in Lao PDR, and the PPCs and DONRE, FPD, DARD in the Provinces of Quang Nam and Quang Tri in Viet Nam. In addition, there are many other government agencies such as the Forest Administration in Cambodia, MAF/DOF in Lao PDR, and MARD in Viet Nam, which are primary players. Furthermore, there are numerous non-state actors (NGOs), which have been involved in RETA 6289 and which still play and could play a significant role in the future. A few of these may be mentioned here: Bird Life, Conservation International, FFI, MCNV, Wildlife Alliance, WCS, WWF etc.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Workshops and community consultation meetings will be undertaken in the BCI Pilot sites in the three countries as well as information meetings and beneficiary-to-beneficiary exchange meetings may be organized to facilitate transfer of information and knowledge from current villages active under BCI to areas that will be included in a future investment project.

3. What level of participation is envisaged for project design?
 Information sharing Consultation Collaborative decision making Empowerment⁷
4. Will a C&P plan be prepared? Yes No Please explain.

The PPTA consultants will use a participatory approach as has been extensively used in the BCI Pilot sites. A consultation and participation plan of key actors and beneficiaries will be presented during the Inception workshop and refined further after inputs from local authorities and Provincial governments.

C. Gender and Development

1. What are the key gender issues in the sector/subsector⁸ that are likely to be relevant to this project/program?
 Implementation under RETA 6289 of the BCI Pilot Phase has demonstrated that participatory approaches used have been highly gender sensitive and in fact a large number of women have taken up project tasks and chores and participated in skills improvement trainings. In fact some women are leaders in their communities and chair important project activities, while others are the treasurers of the Village/Commune Revolving Funds keeping up to date and accurate record and accounts of fiduciary transactions.

2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?⁹
 Yes No Please explain.

A gender action plan will be prepared during PPTA that will be part of the poverty reduction activities.

3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?¹⁰
 Yes No Please explain

So far the BCI Pilot Site activities have only had positive impacts on girls and women.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS¹¹

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known ¹²	Plan or Other Action Required ¹³
Involuntary Resettlement¹⁴	The Project does not envisage any involuntary resettlement	No negative impact	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Indigenous Peoples¹⁵	The BCI Project in Pilot Sites under RETA 6289 is already working with indigenous peoples as all biodiversity corridors are in transboundary, mountainous forested areas, where most indigenous people live. Particular attention has been paid to their needs, such as interlocutors and leaders from their own groups etc.	No negative impact expected; a plan may be included although indigenous peoples are in the majority in the Biodiversity Corridors.	<input checked="" type="checkbox"/> Plan <input type="checkbox"/> Other Action ¹⁶ <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain

<p>Labor <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards¹⁷</p>	<p>Local labor will be employed to maximum extent during project implementation</p>	<p>No negative impact</p>	<p><input type="checkbox"/> Plan <input type="checkbox"/> Other Action¹⁸ <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain</p>
<p>Affordability</p>	<p>Increased production of goods and services and their marketing will improve cashflow of households and thereby their living standards will gradually improve. In the intermediate period, their livelihood situation will improve and additional cash infusion will increase affordability of general goods and services.</p>	<p>No negative impact</p>	<p><input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain</p>
<p>Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify</p>	<p>In areas, where the BCI Pilot sites are directly in transit points across GMS transboundary economic corridors, awareness raising and information campaigns will feature for improving social awareness and the investment project will be supported by on-going other ADB initiatives on HIV/AIDs and human trafficking</p>	<p>Limited</p>	<p><input checked="" type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain</p>

IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?
 Yes No If no, please explain why.

2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? Yes No If no, please explain why.