

## ASIAN DEVELOPMENT BANK

### GRANT 0034/0035-CAM: TONLE SAP SUSTAINABLE LIVELIHOOD PROJECT

#### AIDE MEMOIRE OF REVIEW MISSION

6 June 2008

#### I. INTRODUCTION

1. An Asian Development Bank (ADB) review mission (the Mission)<sup>1</sup> for the Tonle Sap Sustainable Livelihood Project (the Project) visited Cambodia from 2-6 June 2008 to review the CLF operations and the progress in the Project since the last mission in March 2008. In particular, the main purpose of the Mission was to (i) assess planned CLF activities against overall project targets (financial and physical); (ii) discuss timetable and scope for mid-term review; (iii) assess the compliance of safeguards and due diligence (social and environmental screening), and review the implementation of the screening procedures for community infrastructure projects and determine likely environmental impacts; (iv) discuss with relevant local government and DOE staff on the site specific environmental issues; (v) identify and discuss with the project consultant team any need for improvement of the existing environmental assessment procedures; and (vi) discuss CLF monitoring framework and provide guidance on improving the monitoring framework.

2. The Mission conducted field visits and held discussions with CLFTs, selected Commune Councils, Project management and TA team. A list of persons met by the Mission is in Attachment 1.

3. The Mission reviewed progress in the three areas of CLF operations: (i) social infrastructure; (ii) income generating grants; and (iii) community fisheries support. The Mission provided feedbacks and guidance to the Project team on a number of important aspects of CLF operations and the overall Project. These include, detail comments and recommendations on the (i) safeguard issues for CLF funded activities; (ii) performance assessment and monitoring of the CLF; and (iii) scope for Project mid-term review. Subject to approval of the higher authorities of the Government and ADB, this Aide Memoire summarizes findings and recommendation of the Mission. These findings and recommendations were discussed and agreed up on among ADB Mission and the Ministry of Interior (MOI) as EA for the project and IA for the CLF at a wrap-up meeting chaired by H.E Leng Vy on 6 June 2008.

#### II. MISSION FINDINGS AND RECOMMENDATIONS

4. **Safeguards.** Environmental Assessment is one of the required procedures specified in the Guideline on Community Livelihood Fund (The guideline) to ensure that subprojects, particularly for social infrastructure, will take adequate consideration of potential environmental impacts and mitigation measures in the design and implementation. The guideline specifies the following four steps for environmental assessment: (i) participatory environmental map; (ii) analysis of environmental impact; (iii) preparation of environmental management plan; and (iv) preparation of monitoring plan. During the site visits, the Mission discussed the above steps with the commune livelihood facilitation teams (CLFTs), commune chiefs and facilitators (CFs), reviewed the project documents for the social infrastructure sub-projects that have already completed bidding or are under implementation, and observed the construction activities on-site.

5. Based on the site review, the Mission finds the application of the environmental assessment procedures as generally satisfactory. A rehabilitation of existing road with laterite seems to be the

---

<sup>1</sup> The Mission comprised M. Ahmed (Mission Leader), Nao Ikemoto (Environmental Specialist), and Bui Minh Giap (Rural Development Economist).

main social infrastructure interventions among the project communes visited by the Mission. All the required steps were followed and environmental assessment reports were included as part of the project document. Prior to bidding, environmental assessment reports were reviewed by the CLFT member (provincial DOE staff) and approved by the DOE. Identification of social infrastructure will be accelerated in the next several weeks. During the discussion, the Mission noted a need to provide additional training and reference materials for CLFTs to increase their capacity to understand potential environmental impacts associated with social infrastructure and selected income generating activities and ensure that they can provide timely support for communes to carry out environmental assessment by themselves.

6. Preparation of land acquisition report is also a key activity that needs to be carried out at the project design stage. The guideline specifies the following steps: (i) community discussion of affected people and their rights; (ii) participatory land survey; (iii) preparation of land acquisition agreements; and (iv) preparation of voluntary land contribution report or land acquisition report. A threshold of 5% has been established to determine for compensation in case that no land contribution agreement has reached during participatory village meetings.

7. Based on the discussion and review of the subprojects reports, the Mission found that all the social infrastructures identified so far required a less than 5% of a total land or assets of the affected persons and all the land required for such social infrastructure was voluntarily donated by the village members. The subprojects documents included the voluntary land contribution agreements between the commune chiefs and the affected village members. While the procedures to identify scope of resettlement impacts specified in the guideline seem to be followed, the Mission noted a weak documentation. A voluntary land contribution report, required in the guideline, was not prepared for the social infrastructure under implementation to specify the land to be used by the project, list of voluntary contributions of land and other assets, minutes of village meetings to document the procedures to inform and agree among the affected persons. The Mission alerted the communes on the requirements and requested the CLFTs and the project consultants team to provide support to ensure adequate documentation to meet the ADB resettlement policy requirements.

8. **Assessment of Community Livelihood Fund (CLF).** The Mission reviewed the Project financial records, disbursement progress, and projected indicators for FY2008 and beyond. The disbursement progress is observed to be still very slow. As of review mission date, total value of subprojects selected for implementation was US\$1.95 million, accounting for only 16% of total planned subprojects (US\$11.38). Total value of contract awarded was US\$0.76 million, accounting for only 6.5% of total value of planned subprojects under the CLF, and 13% of targeted CLF disbursement planned for 2008 (attachment 2, tables 1-2).

9. Among the three subcomponents in the CLF, i.e., social infrastructure, income-generating grants, and community fisheries support, it was observed that social infrastructure subcomponent has made the most significant progress since the March 2008 review mission. At mission date, 53 subprojects had been identified, and 22 of which had contracts awarded with total value accounting for 96% of total contracts awarded (attachment 2, table 3). However, the Mission advised the Project team to examine carefully the post-project maintenance and sustainability of the social infrastructure projects, such as community water system development.

10. The implementation progress of income-generating grants and community fisheries activities is still very negligible. At mission date, 95 income-generating subprojects/schemes had been identified and only 5 of which had contracts awarded/disbursed, accounting for the remaining 4% of total value of contract awarded. While 57 community fisheries subprojects/schemes were selected, none had any contracts awarded/disbursed. The slow progress in the two components is due to a number of reasons, including (i) technical complexities of livelihood subprojects/schemes; (ii) lack of resources and expertise in the Project to guide the design and implementation; (iii) limited capacity to undertake a large number of income generating subprojects as envisaged in the Project; (iv) poor

organizational capacity amongst many of the Community Fisheries Organizations (CFOs); and (v) lack of adequate understanding of the requirements in designing and implementing income generating activities, such as baseline data, economic and financial analysis, and benefit monitoring. It is highly unlikely that the Project team supported by the international and national specialists will be able to assist the communities to design and implement as many income generating sub-projects as anticipated in the Project plan.

11. The Mission is of the view that the Project is at risk due to increased opportunity costs of committed funding by the ADB while expected benefits would not be realized due to the slow progress of implementation within the timeframe of the Project. A re-design or restructure of the two components: (i) income-generating activities, and (ii) community fisheries support might be necessary by mid-term review (see para 14).

12. Hence, prior to the commencement of the mid-term review the Project team should provide the following:

- (i) Prepare a revised plan, including change in scope, for the community livelihood funds, particularly income-generating and community fisheries activities such that (a) income-generating grants will cover selected livelihood models in communes to take place as pilots and role-models for future replication; and (b) community fisheries activities will focus on investment (and procurement) that help achieve economies of scale, provide support to build assets and organizing capacity of the community fisheries, and bring about direct benefits to community members involved in community fisheries;
- (ii) Identify tested models of livelihoods based on lessons and experiences in other projects (e.g., TSEMP and JFPR floating village community project- CAM 9064), and examine the business plans around selected income-generating projects for determining their prefeasibility under the Project;
- (iii) Prepare a consolidated plan for income generating grants,, comprising full technical designs, cost and revenue structure, as well as benefit monitoring indicators for individual and group activities;
- (iv) Intensify training and capacity building activities for beneficiaries under the income generating grant and community fisheries activities, and use demonstration and on-the-job training as main tools for building skills and capacity among beneficiary groups so that benefits can be maximized and sustained;
- (v) Revise the cost estimates and financing plan for the implementation of the re-designed CLF based on the requirements of Items (i), (ii) and (iii).

13. **CLF Monitoring Framework.** The Mission observed that the CLF monitoring framework is non-existent, and no baseline indicators have been established. The Mission emphasized on the need for developing a CLF monitoring framework on a priority basis, and recommends the following set of actions to develop the CLF monitoring framework:

- (i) Establish a comprehensive CLF Monitoring Guideline in reference to available details provided in the RRP's Design and Monitoring Framework (RRP Appendix 3) and the RRP's Eligibility Criteria for CLF Activities (RRP Appendix 4). The CLF Monitoring Guideline will need to be easy to understand and use at commune level and monitoring indicators need to be easy to be quantified and measured;
- (ii) Carry out systematic baseline surveys of Project communes and document baseline socio-economic indicators to enable Project impact assessments.

14. **Mid-term Review.** The Mid-term Review will (i) examine the consolidated plan for CLF; (ii) evaluate Project's achievements; (iii) prepare a revised design, cost estimates and financing plan; and (iv) provide a definite timetable for Project completion. The proposed time schedule for the mid-term review mission will be end September/early October 2008.

15. **Other Issues – Contract Awards.** The Mission was informed about the progress in the contract negotiations with the Live and Learn Environmental Education (LLEE), Community-Based Natural Resource Management Learning Institute (CBNRM-LI) and the WorldFish Center.

- (i) **LLEE.** Contract negotiations with LLEE has been concluded, and mobilization is expected any time soon;
- (ii) **CBNRM-LI.** Contract negotiation with CBNRM-LI has faced a number of difficulties, including the concern for inadequate capacity of CBNRM-LI to provide the required training package. At this stage, the Mission agreed with MOI's conclusion that services from CBNRM-LI may not be crucial and might be redundant in view of the planned activities under the new JFPR project (CAM 9114) which is expected to build community capacity for poverty reduction initiatives in the 37 communes covered by the TSSLP. The Mission supports MOI's proposal to cancel the negotiation with CBNRM-LI for the training services, however, the Mission recommends MOI to liaise closely with CAM 9114 to ensure that training services are targeted to the needs of the TSSLP beneficiaries;
- (iii) **WorldFish.** Contract negotiation with the WorldFish Center has not been concluded due to the Worldfish's fresh request to revise budget, output and consultant inputs. This contract has taken an unusually long time to negotiate. In the mean time, a number of related issues have emerged, which needs to be looked at before proceeding with the contract negotiation. The Mission noted that the current proposed scope does not extend into providing adequate resettlement considerations (specific livelihood plans and budget requirements) for the affected persons in accordance with the ADB's Policy on Involuntary Resettlement (1995). The Mission also recognizes the need for reexamining the proposed scope of work by the WorldFish, considering that similar work has been done under the component 3 of the TSEMP to improve the Core Area management. Given that the work resulting from TSEMP is in an advanced stage – three core area management plans have been developed, of which one has been approved by MOE in 2007, while the rest are expected to be approved this year - it is important to assess the added value of the WorldFish proposal in its present form, including the options for seeking different types of inputs under the Component 2. In this regard, the EA should also clarify about the Government position with regard to the management of fishing lots in the Core Areas after the expiry of the lease contract in 2009.



**Mahfuzuddin Ahmed**  
Senior Agricultural Economist  
6 June 2008

**Attachment 1: List of Persons Met**  
**Attachment 2: Financial Reports**

## Attachment 1 – List of Persons Met

### I. Phnom Pehn

Name	Position	Organization
H.E. Vongsey Vissoth	Deputy Secretary General	Ministry of Economy and Finance (MEF)
H.E. Sak Setha	Director General	Ministry of Interior (Mol)
H.E. Leng Vy	Deputy Director General	Mol
Yin Malina	Deputy Director	Mol

### II. Siem Reap

Hen Puthy		PLAU
Meas Bunna	Rural Engineering	TSSL/SRA
Phoung Lina	Environment	CLFT
Tin Kavivath		CLFT
Roseal Vanthoern	Women Affair	CLFT
Chiep Piseth	CDS	Niras
Niel Elsnab	Representative	Niras
Chea Sary	CDS	CADTIS
Hang Sophy	CDS	CADTIS
Lek Sakam	CDS	CADTIS
Seng Samoun	CDS	CADTIS
David Moles	Team Leader	TSSLP

### III. Kompng Thom (Chamnar Krom Commune)

#### ATTENDANCE LIST

4 June 2008

No	Name	Position	From
01	Tho Thoy	Clerk	Chamnar Krom
02	Koun Chan Thon	CF	Chamnar Krom
03	Tuy Kim Siet	Village Chief	Leap
04	Heng Monhou	Commune council	Chamnar Krom
05	Kem Yon	Village Chief	Preah Nangkol
06	Tan Saran	CF	Chamnar Krom
07	Thoun Thieng	Village Chief	Spean Trang
08	Leng Kim	Vice Village Chief	Srey Rongit
09	Peng Teou	Village Chief	Sopor
10	Siem Moan	Commune Council	Chamnar Krom
11	Luy Lon	Village Chief	Sandan
12	Cheung Thon	Vice Village Chief	Chamnar Krom
13	Yin Yoeun	Village Chief	Chi Hap
14	Hien Leim	Commune Council	Chamnar Krom
15	Yon Samon	Village Member	Srey Rongit
16	Srey Siet	Commune Council	Chamnar Krom
17	You Prin	Commune Council	Chamnar Krom
18	Koan Sok	Vice Village Chief	Svay lea
19	Kheng Tha	Deputy Chief	Spean Trang
20	Sieng Ly	CLFT	TSSL
21	Da Nary	CDS	CADTIS
22	Sour Sethy	Environment	TSSL
23	Sath Phalline	Admin Assistant	TSSL
24	David Moles	Team Leader	TSSL
25	Long Viseth	Officer	Mol
26	Toch Pol Ponnlok	DTL	TSSL
27	Niels Elsnah	Representative	NIRAS
28	Nao Ikemoto	ADB	ADB
29	Khum Thy	Commune Chief	Chamnar Krom

## IV. Kampong Chnang

ATTENDANCE LIST  
5 June 2008

No	Name	Position
01	Sang Khat	Commune Chief
02	Sngoun Saman	Deputy Chief
03	Doung Sara	Clerk
04	Toum Sameourn	Assistant
05	Soeung Bunlay	CF
06	Toch Pol Ponnlok	DTL
07	David Moles	TL
08	Som Phirun	CLFT
09	Ouk Keyla	CLFT-Chief
10	Phou Narin	CDS
11	Niels Elsnab	NIRAS
12	Peter Degen	RLS- TSSLP
13	Sour Sethy	Environment
14	Long Visith	Officer
15	Mang Hongkry	Rural Infrastructure Engineering
16	Sor Uy	Commune Council
17	Hem Nen	Commune Council
18	Om Som	Commune Council

## CLFT Office

No	Name	From	Position
01	Ouk Keyla	CLFT	Chief
02	Toch Pol Ponnlok	TSSLP	DTL
03	Sour Sethy	TSSLP	Environment
04	Long Visith	Dola/Mol	Officer
05	Peter Degen	TSSLP	RLS
06	David Moles	TSSLP	TL
07	Niels Elsnab	Representative	NIRAS
08	Nao Ikemoto	ADB	ADB
09	Mang Hongkry	TSSLP	Infrastructure Engineering
10	Som Phirum	TSSLP	CLFT
11	Ke Ny	CLFT	CLFT
12	Choeun Vuth	CLFT	Member
13	Chhouk Neary	CLFT	Member
14	Phou Narin	K CDS	K CDS

## Attachment 2 – Financial Reports

Table 1 - Budget Allocation for the Community Livelihoods Fund (CLF)

Unit: US\$

No	Location	Original CLF Budget Allocation			Total per Commune
		Social Infrastructure	Income Generating Grants	Community Fisheries	
<b>I</b>	<b>Battambang</b>				
	1 Kaoh Chiveang	102,209	51,104	40,245	193,558
	2 Preaek Luong	98,739	49,370	38,879	186,987
	3 Preaek Norint	114,156	57,078	44,949	216,183
	4 Prey Chas	80,719	40,360	31,783	152,862
	5 Kompong Preah	97,427	48,714	38,362	184,503
	6 Kompong Preang	98,707	49,353	38,866	186,926
	7 Roka	94,681	47,341	37,281	179,302
	8 Ta Pon	113,362	56,681	44,636	214,679
	<b>Sub-total Battambang</b>	<b>800,000</b>	<b>400,000</b>	<b>315,000</b>	<b>1,515,000</b>
<b>III</b>	<b>Kompong Thom</b>				
	9 Phat Sanday	119,934	67,655	46,129	233,718
	10 Chamnar Kraom	162,768	91,818	62,603	317,189
	11 Peam Bang	107,298	60,527	41,268	209,093
	<b>Sub-total Kompong Thom</b>	<b>390,000</b>	<b>220,000</b>	<b>150,000</b>	<b>760,000</b>
<b>V</b>	<b>Siem Rea</b>				
	12 Anlong Samnar	183,033	113,648	77,759	374,441
	13 Sambuur	143,737	89,248	61,065	294,050
	14 Kompong Phluk	119,219	74,025	50,649	243,893
	15 Kaev Poar	143,770	89,269	61,079	294,117
	16 Lvea	171,947	106,764	73,049	351,760
	17 Mukh Paen	138,483	85,986	58,832	283,301
	18 Pou Treay	113,810	70,666	48,351	232,827
	19 Chong Khnies	147,619	91,659	62,714	301,991
	20 Dan Run	185,475	115,164	78,797	379,436
	21 Kompong Khleang	182,908	113,570	77,706	374,183
	<b>Sub-total Siem Rea</b>	<b>1,530,000</b>	<b>950,000</b>	<b>650,000</b>	<b>3,130,000</b>
<b>IV</b>	<b>Pursat</b>				
	22 Boeng Bat Kandaol	222,584	128,775	89,034	440,393
	23 Me Tuek	247,733	143,325	99,093	490,151
	24 Ou Ta Paong	268,014	155,058	107,205	530,277
	25 Snam Preah	273,150	158,030	109,260	540,439
	26 Kanhchor	208,995	120,913	83,598	413,506
	27 Reang Til	182,418	105,537	72,967	360,922
	28 Srae Sdok	224,150	129,681	89,660	443,490
	29 Ansa Chambak	188,016	108,776	75,207	371,999
	30 Kompong Luong	199,554	115,451	79,821	394,826
	31 Kompong Pou	186,163	107,703	74,465	368,331
	32 Kbal Trach	200,699	116,114	80,280	397,093
	33 Ou Sandan	173,768	100,533	69,507	343,808
	34 Sna Ansa	174,757	101,105	69,903	345,765
	<b>Sub-total Pursat</b>	<b>2,750,000</b>	<b>1,591,000</b>	<b>1,100,000</b>	<b>5,441,000</b>
<b>II</b>	<b>Kompong Chhnang</b>				
	35 Chhnok Tru	97,756	48,878	29,327	175,960
	36 Trapeang Chan	101,375	50,688	30,413	182,475
	37 Pralay Meas	100,869	50,435	30,261	181,564
	<b>Sub-total Kompong Chhnang</b>	<b>300,000</b>	<b>150,000</b>	<b>90,000</b>	<b>540,000</b>
	<b>Total</b>	<b>5,770,000</b>	<b>3,311,000</b>	<b>2,305,000</b>	<b>11,386,000</b>

**Table 2 – Operational Status of the Community Livelihoods Fund (CLF) – Monetary Value**

Unit: US\$

No	Province	Value of Selected projects by Category			Total Value of selected projects	Value of Contract Award by Category			Total Value of Contract Awards
		Social Infrastructure	Income Generating Grants	Community Fisheries		Social Infrastructure	Income Generating Grants	Community Fisheries	
1	Pursat	604,578	233,281	68,921	906,779	131,795	-	-	131,795
2	kampong Chhnang	162,935	55,789	32,106	250,830	2,696	24,589	-	27,285
3	Siem Reap	512,326	-	-	512,326	369,965	-	-	369,965
4	Kampong Thom	39,838	-	-	39,838	39,945	-	-	39,945
5	Battambang	240,967	-	-	240,967	190,611	-	-	190,611
	<b>Grand total</b>	<b>1,560,643</b>	<b>289,070</b>	<b>101,027</b>	<b>1,950,740</b>	<b>735,011</b>	<b>24,589</b>	<b>-</b>	<b>759,600</b>

**Table 3 – Operational Status of the Community Livelihoods Fund (CLF) – Number of Subprojects**

No	Province	Number of Selected projects by Category			Total Number of selected projects	Number of Contract Award by Category			Total number of Contract Awards
		Social Infrastructure	Income Generating Grants	Community Fisheries		Social Infrastructure	Income Generating Grants	Community Fisheries	
1	Pursat	14	47	14	75	5	-	-	5
2	kampong Chhnang	12	10	10	32	1	5	-	6
3	Siem Reap	17	-	-	17	12	-	-	12
4	Kampong Thom	2	2	3	7	-	-	-	-
5	Battambang	8	36	30	74	4	-	-	4
	<b>Grand total</b>	<b>53</b>	<b>95</b>	<b>57</b>	<b>205</b>	<b>22</b>	<b>5</b>	<b>-</b>	<b>27</b>

