

Public

Environmental and Social Data Sheet

Overview

Project Name:	SAAMBAT Sustainable Rural Development Cambodia
Project Number:	2019-0463
Country:	Cambodia
Project Description:	The project consists of a framework loan to co-finance the rehabilitation of rural roads under Component 1: value chain infrastructure of the Sustainable Assets for Agricultural Markets, Business and Trade (SAAMBAT) programme in Cambodia. The programme covers the period 2020-2025.
EIA required:	Potentially. Some of the framework loan sub-projects may require an Environmental Impact Assessment (EIA), to be determined by the competent authority.
Project included in Carbon Footprint Exercise ¹ :	No.

Environmental and Social Assessment

Environmental Assessment

The operation will support the rehabilitation of over 650km of rural road sub-projects under the SAAMBAT programme. The type of works include the rehabilitation and upgrade of rural roads to mainly hard-paved (asphalt and/or concrete) standard. The expected size of individual sub-projects is less than 10km in length and may be located in Provinces across Cambodia. Some of the sub-projects may require an Environmental Impact Assessment (EIA) in accordance with Articles 6 and 7 of Cambodian Environment Law and the Sub Decree on EIA Process.

The Ministry of Environment (MoE) is responsible for EIA and is also the lead Ministry for Cambodia's climate change response. Land management is primarily the responsibility of the Ministry of Land Management, Urban Planning and Construction (MLMUPC), together with other Ministries responsible for certain categories of State land.

The project does not include the construction of new greenfield roads. The rehabilitation of rural roads under SAAMBAT will essentially remain within the existing right-of-way under the authority of the Ministry of Rural Development (MRD). No significant adverse negative

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

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environmental impacts are expected. However, sub-projects may have limited land use impacts, temporary negative environmental impacts during the rehabilitation/construction phase, and potentially, during their operation – mainly resulting from increased/faster vehicle traffic using the roads.

Several regions in Cambodia are considered highly vulnerable to climate change, in particular from increased rainfall events, flooding, higher temperatures and drought. Climate resilience will be included in the procedures to select sub-projects and climate adaptation measures will be mainstreamed in the design of rural road rehabilitation.

Social Assessment

The overall project aims to have a positive socio-economic impact. Better connectivity and increased accessibility improves access to markets, social and economic services and facilities for rural communities.

Rural road works may have impacts on land users. Whilst large scale land acquisition is not expected, small amounts of land may be required for widening or side-drainage works. Negative social impacts may be associated with civil works requiring land acquisition from project-affected people (PAP), temporary loss of livelihood and/or limited physical resettlement of homes, and businesses or other income-generating activities. As a positive aspect, owners of roadside land may benefit from increase in value due to improved access.

In accordance with national law on labour standards and International Labour Organisation (ILO) obligations ratified by Cambodia (Cambodia ratified all ILO fundamental conventions), the works' contracts will comply with ILO core labour standards. Contractors shall ensure occupational and community health & safety as part of their works contracts.

Management and Implementation of Environmental and Social Standards

The framework for environmental and social risk management for SAAMBAT is the Royal Government of Cambodia's (RGC) Standard Operating Procedures (SOP) for internationally financed programmes/projects. This framework references compliance to RGC's General Guidelines of the MoE and safeguard policies of co-financiers, in this case EIB's Environmental and Social Standards, for components directly financed by EIB, and the International Fund for Agricultural Development's (IFAD) Social, Environmental and Climate Assessment Procedures (SECAP) for those financed by IFAD.

An Environmental and Social Management Framework (ESMF) will be prepared for SAAMBAT. The ESMF will include, inter-alia, detailed procedures for:

- Environment, Social and Climate Risk Assessments (ESCRA) at Economic Pole level;
- Environmental and Social Safeguards (ESS) screening of all infrastructure sub-projects;
- Preparation of sub-project Environmental Management Plan (EMP), where needed;
- Procedures for mainstreaming ESS in construction contracts and in supervision.

For each sub-project an ESS screening will be carried out based on risks identified in the ESCRA. Screening procedures, including stakeholder consultation, will identify possible negative and positive environmental and social impacts. If a significant risk of environmental damage is identified, a full EIA and an EMP will be prepared.

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An ESMF, that will include a Resettlement Policy Framework (RPF) as well as an Ethnic Group Engagement Framework (EGEF), will be prepared for the project prior to disbursement on works' contracts for sub-projects co-financed by EIB. The ESMF will define the requirements on Environmental and Social documents for each sub-project. All safeguard instruments will be disclosed in-country and on the EIB website in due course.

If there is limited resettlement, a Land Acquisition and Compensation Report (LACR), or in case of significant resettlement a Resettlement Action Plan (RAP) will be drafted. If the sub-project involves ethnic groups identified as indigenous peoples, an Ethnic Group Engagement Plan (EGEP) will be prepared and implemented. Their compliance with EIB social standards will be verified prior to allocation of the sub-project.

Moreover, voluntary land contribution is foreseen to be used as one of the ways for land acquisition in SAAMBAT. The RPF will define the procedures under which voluntary land contribution can be applied, ensuring that it can never be applied when significant impact is expected, and that all PAPs are engaged and aware of their choices. Civil works will not commence on any specific sub-project until it is confirmed that PAPs are treated in accordance with the principles of the project's RPF.

The Promoter, through the MRD's Project Management Unit (PMU), will be responsible for monitoring and managing environmental and social safeguards for SAAMBAT. The Promoter will ensure full compliance of the sub-projects with relevant Cambodian legislation and EIB safeguard policies, and will provide relevant information to the Bank, where applicable, and in accordance with the Finance Contract.

Public Consultation and Stakeholder Engagement

SAAMBAT's design is based on participatory planning and stakeholder engagement in all phases of project implementation. Each sub-project will be identified through Multi-Stakeholder Platforms (MSP). Grievance mechanisms will be provided for and complaints and concerns may be raised through one of the following channels:

- Directly with project staff and consultants;
- Through local authorities;
- By telephone to SAAMBAT PMU;
- Through the SAAMBAT website.

Other Environmental and Social Aspects

The EIB will require that roads to be upgraded under this project are subject to road safety audits, as well as road safety impact assessments, inspections and/or ratings, as needed. Recommendations stemming from these should be included in the design, to be followed up on during implementation, resulting in an expected decrease in road fatalities and injuries.

SAAMBAT has developed an outline Gender Action Plan (GAP). A detailed GAP will be prepared during the project start-up phase, to be reviewed by the Ministry of Women's Affairs (MoWA). The Promoter will ensure that all project supported activities will mainstream gender and promote economic empowerment of women.

Conclusions and Recommendations

The implementation of this project will lead to improvement of rural road infrastructure and will contribute to an enabling environment for economic activities in the sub-project areas.

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Possible negative environmental and social impacts should be limited and confined to sites of existing road infrastructure.

The Bank will require the Promoter to comply with the Bank's Environmental and Social Standards. Sub-projects that may create i) significant adverse impacts on ethnic groups, ii) loss or damage to cultural property, iii) significant conversion or degradation of natural habitat are not eligible under the proposed framework loan. The project is considered acceptable for EIB financing in environmental and social terms, with the following conditions relating to environmental and social matters:

- Updated Project Implementation Manual (PIM) incorporating reference to compliance with EIB Environmental and Social Standards;
- Environmental and Social Management Framework (ESMF), that should include a Resettlement (or land acquisition) policy framework (RPF) (with a clear definition of the voluntary land contribution process for this specific project) and Ethnic Group Engagement Framework (EGEF).

The Promoter undertakes to implement each sub-project in accordance to the finalised PIM, the ESMF, the RPF or the EGEF, or equivalent, and in accordance to EIBs Environmental and Social Standards, and will consult with the Bank prior to entering into any material amendments to these documents. For all subprojects under the proposed framework loan, the Promoter shall submit, if required in accordance with the ESMF, and to the satisfaction of the Bank:

- an Environmental Impact Assessment (EIA) or Initial Environmental Examination (IEE);
- an Environmental and Social Management Plan (ESMP);
- an Ethnic Group Engagement Plan (EGEP);
- an approved Land Acquisition and Compensation Plan (LACP) or Resettlement Action Plan (RAP);
- a Stakeholder Engagement Plan (SEP);
- any environmental or building permits required in connection with the sub-project;
- a written confirmation that the sub-project has no significant adverse impacts on ethnic groups, does not lead to loss or damage to cultural property and has no significant impact on protected nature areas;
- a written confirmation that the Promoter has all funds necessary to implement the project and the LACP;
- Environmental and Social Action Plan addressing identified gaps for the sub-project, Environmental and Social Management Plan;
- Evidence that the ESMP is integrated in the work contracts;
- Voluntary Land Contribution due diligence report for sub-projects where Voluntary Land Contribution is acceptable;
- Copy of all free, prior and informed consent (FPIC) documentation in case the sub-project has impacts on indigenous groups.

Further disbursement conditions may arise when the due diligence of specific sub-projects is conducted.