

**KINGDOM OF CAMBODIA**

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**MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES**

**FISHERIES ADMINISTRATION**



**Mekong Integrated Water Resources Management Project  
Phase III – Component 1**

# **MANUALS**

## **Livelihoods enhancement manual**



2018

**Inland Fisheries Research and Development Institute**



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**Mekong Integrated Water Resources Management Project  
Phase III – Component 1**

# **Livelihoods Enhancement Manual**

*Sub-Component: 1.3 Enhancements of Fisher Community  
Livelihoods*

**June 2018**



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## Abbreviations

<b>Abbreviation</b>	<b>Description</b>
CFC	Community Fisheries Committee
CFi	Community Fisheries (or Community Fishery)
CMU	Component Management Unit
CNMC	Cambodia National Mekong Committee
DAFF	Department of Agriculture, Forestry and Fisheries
EG	Ethnic Group
ESMF	Environmental and Social Management Framework
FiA	Fisheries Administration
GRM	Grievance Redress Mechanism
HH	Household
PFiA	Provincial Fisheries Administration
PIT	Provincial Implementation Team
MAFF	Ministry of Agriculture Forestry and Fisheries
MFI	Microfinance institutions
MIS	Management Information System
MOWRAM	Ministry of Water Resources Management and Meteorology
NGO	Non-Government Organization
NGS	National Gender Specialist
NSDP	National Strategic Development Plan
PAD	Project Appraisal Document
PAP	Project Affected Persons
RGC	Royal Government of Cambodia
WB	World Bank





# 1 Introduction and Rationale

The purpose of this manual is to provide guidance for identifying and supporting sustainable livelihood enhancements in the two target provinces of Stung Treng and Kratie.

The Mekong Integrated Water Resources Management Project- Phase III, with a project cost amounting to SDR10.90 million with an equivalence to ~USD 15 million financed by IDA Credit to the Royal Government of Cambodia has the objective of establishing the foundation for effective water resource and fisheries management in the Project areas in the northeast of the Recipient's territory. The project life is five years with the effective date on August 8, 2016 and closing date on June 1, 2021.

Two designated Ministries will be the implementing agencies: Ministry of Agriculture, Forestry and Fisheries (MAFF) represented by Fisheries Administration (FiA) will be the implementing agency for Component 1; and Ministry of Water Resources Management and Meteorology (MOWRAM) represented by Cambodia National Mekong Committee (CNMC) will be the implementing agency for Component 2. Each implementing agency will have fiduciary responsibility, financial planning and decision functions.

Component 1: Fisheries and Aquatic Resources Management in Northern Cambodia (US\$11 million): The objective of this component is to improve the management of fish resources in areas of Cambodia that contribute significantly to livelihoods, food security and biodiversity, at local, national and regional levels. Component 1 comprised of four sub-components; one which is Sub-Component: 1.3 Enhancements of Fisher Community Livelihoods.

Component 1 Management Unit (CMU1): CMU1 is responsible for implementation of Component 1 including procurement (contract signatory), financial management, safeguards, technical oversight, reporting, and M&E. The Component Director of CMU1 is a senior officer from Inland Fisheries Research and Development Institute (IFReDI) of FiA and reports to the Project Director. The technical officers organized under CMU1 technical unit include a Community Fishery Development Officer, an Aquaculture Officer, a Conservation Officer, and an Infrastructure Officer. The support officers organized under CMU1 support unit include a Procurement Officer, a Financial Management Officer, an Accountant, and an Administrative Assistant.

At the provincial level, two FiA Project Implementation Teams (PITs) are formed in Kratie and Stung Treng, and reported directly to CMU1. PITs are responsible for implementation of livelihood enhancement, for monitoring and protecting conservation fishery areas, Community Fisheries (CFis), and commune infrastructure investment. Each PIT is headed by a chief of Fisheries Administration Cantonment, and supported by a number of full-time technical officers including a Community Fisheries Development Officer, an Aquaculture Officer, a Financial Management Officer, a Procurement Officer, and an Administrative Assistant.

Hereafter CMU1 is referred to as simply the CMU.

Funds of approximately US\$14,750 are available to support livelihood enhancements in each CFI. Grants (hereafter termed ‘Livelihood Sub-grants’) will be awarded to individual households (HH) for the construction of fish ponds, concrete tanks or fish cages to farm (grow out) juveniles (fingerlings) of non-native or indigenous species of fish that will be produced by a hatchery (Sub-component 1.3.1). Other potential livelihood enhancement activities may include improvement in agricultural production using irrigation schemes, vegetable growing and livestock-raising. Handicraft as well as fish processing and improved storage facilities for agricultural produce are also possibilities.

Individual households with members registered with the CFI would be eligible to receive Livelihood-grants. It is estimated that maximum 50 households, but this number may vary according to identified needs and priorities in each CFI.

Project Implementation Teams (PITs) in each Province and Project consultants (referred to as the ‘Project Implementation Team’ (PIT), will work with the Community Fisheries Committee (CFC) that represent members of the Community Fishery (CFI), to implement this Sub-Component Activity.

Livelihood Sub-grants will be disbursed directly from the CMU to eligible and prioritized households following the guidance described in these Guidelines.

The Financing (loan) agreement was countersigned by the Royal Government of Cambodia on June 9, 2016 included a provision of livelihood grants for Fisher Community.

The agreement was reached at the supervision mission in November 2017, a guideline for implementation of alternative livelihoods shall be prepared and submitted for Bank no objection before the disbursement effectiveness of the livelihood grants. The field trip was conducted to assess overall capacity, geographical locations, commercial bank facilities, fisher community social economy, and Fisher organizations in Kratie and Stung Treng. Eligible and priority household members of each CFI are the designated recipients of Livelihood Sub-grants. These Guidelines were prepared following a Financial Management Capacity Assessment conducted jointly with the FIA team which included visits to selected CFI in Kratie and Stung Treng, December 11-15, 2017. The mission also assessed the available financial institutions (MFI, commercial banks, and NGOs) in the areas.

### 1.1. Rationale

On the basis of the project reference documents and the Government’s agreement, the Fisher Livelihood Enhancements can be implemented effectively and make impact due to the following legal grounds:

Financing Agreement included Livelihood Sub-grants “category 2” on Page 15, Livelihood Sub-grants under Part 1.3 (b) of the Project with the total amount of SDR 750,000 or rough equivalence to USD 1,035,000 (at the exchange rate of SDR 1=US\$1.38).

The Project Appraisal Document (PAD) included sub-component 1.3 “Enhancement of Fisher Community Livelihoods, (PAD on Page 5).

Fisheries are particularly important for Cambodia. The Ministry of Agriculture, Forestry and Fisheries (MAFF) discharges its overall responsibilities for fisheries management. MAFF created the Fisheries Administration (FiA) to oversee the fisheries sector. FiA has fisheries administration cantonment under the Provincial Department of Agriculture, Forestry and Fisheries (DAFF). According to FiA, fisheries sector account for 5.6 percent of the country's GDP in 2015, more than a quarter of agricultural GDP, which is estimated at 21.2%. About five percent of the total population is engaged in inland fisheries on a full-time basis, and about thirty percent of the population is engaged in inland fisheries in some way. Fisheries also contribute to the food security in Cambodia; freshwater fish and aquatic animals from the Mekong contribute more than two thirds of the total protein intake for the Cambodian population. However, these resources are being threatened by basin development activities including hydropower dam construction, overexploitation arising from ineffective management and lack of alternative livelihoods; critical fish habitat degradation; and climate change.

The National Fisheries Law was promulgated in 2006. In 2012, the Government of Cambodia revoked the concession of the inland fisheries licenses to the private sector and accelerated the establishment of community-based fisheries co-management through Community Fisheries (CFi). Community fisheries co-management, where communities share management roles with the Government is commonly regarded as more effective and equitable than traditional government management.

## 1.2. The National Strategic Development Plan 2014–18

The project is in line with the government policies and poverty reduction objectives laid out in the National Strategic Development Plan (NSDP) and the Rectangular Strategy. One of the key priorities identified in the NSDP is to improve the livelihoods of about 20 percent households who continue to be poor. The NSDP also prioritizes food security, reducing poverty for all Cambodians, and supporting households who have moved out of poverty, but remain vulnerable to shocks. The Rectangular Strategy's Phase III (2014-2018) aims to ensure development sustainability and poverty reduction in response to the aspirations of the people. The four pillars of the Rectangular Strategy include: (a) enhancement of the agricultural sector; (b) private sector growth and employment; (c) continued rehabilitation and construction of physical infrastructure; and (d) capacity building and human resource development. The project would contribute to all of these pillars by supporting rural farmers, providing skills training and job placement support, investing in small-scale infrastructure and building the capacity of self-managed institutions for the poor. The project would also support the aims of the five-year Strategic Plan for Gender Equality and the Empowerment of Women in Cambodia, Neary Ratanak IV (2014-2018), FiA Gender Mainstreaming Policy and Strategy in the fisheries sector in 2007 and FiA Action Plan for Gender Equality Promotion and Child Labour Elimination in the Fisheries sector 2016-2020.

To address the needs of the rural poor, the Government implemented a new and comprehensive livelihood approach through the Livelihood Enhancement Sub-grants in Kratie and Stung Treng Provinces, Component 1 will contribute directly to complement the Livelihood Enhancement for the Fisher Household Communities. These two provinces were selected based on considerations of need (i.e., high poverty level of the province), capacity (i.e., presence of Communities Fisheries, self-help groups (SHGs),

community groups, non-government organizations (NGOs), and microfinance institutions (MFIs), as well as opportunity (i.e., links to the growth engine of the resort and tourism destination). Kratie and Stung Treng also had many of the basic requirements for the model to work, such as active community fisheries, SHGs, farmer cooperatives, community-based organizations, a strong private sector driving growth, and existing service providers.

### 1.3. Opportunities and Challenges

The M-IWRMP-Phase III is one of seven projects specified in the World Bank Group's Cambodia Country Engagement Note (FY 2016-2017), and is aimed at improving service delivery and reducing vulnerability. It would support the achievement of the World Bank Group's twin goals to reduce extreme poverty and promote shared prosperity by specifically targeting poor and vulnerable households as the primary beneficiaries. Through its emphasis on building well-functioning SHGs, producer groups and agricultural cooperatives, the project would enable poor households to improve their livelihoods, address poverty, and increase welfare in their communities. The beneficiaries' vulnerability to disaster and climate risks, in particular droughts and flooding, would also be mitigated through small-scale infrastructure investments in water resources management, small-scale irrigation investments and water and sanitation services.

### 1.4. Sub-Component Activities

**Sub-Component: 1.3 Enhancements of Community Fisheries Livelihoods**, and its sub-activities to provide sub-grants for Fisher Livelihood Enhancements.

**Objective of the Fisher Livelihood Enhancements** is to assist the Government of Cambodia to provide maximum 50 households in each participating community fisheries with a Livelihood sub-grant to enhance their livelihoods.

**Sustainable Natural Resources Management by Reducing Overfishing.** Fisheries may involve the capture of wild fish or raising fish through fish farming or aquaculture directly or indirectly, for economic growth and envisioned moving towards a more sustainable and systematic sector planning with stimulus effects for other economic activities and livelihood. Many of community fisheries living along the Mekong River and the 3S (Sesan, Sre Pok and Sekong) Rivers depend on fisheries and aquaculture, their routine fish catch and continue to catch to trade off their living will cause overfishing with the limited natural resources. Sub-grants for enhancements of livelihoods for the fishers will contribute an alternative means for income generation, and reduce overfishing in many parts of the fish coverage areas.

**Fisher Beneficiary.** Individual households with members registered with the CFi and currently dependent upon fisheries for their income, would be eligible to receive livelihood sub-grants. The project has allocated a budget for the activity on fisher livelihood enhancements with the total amount of USD14,750 per participating CFi. It is estimated that each CFi will comprise a maximum of 50 eligible households, each thereby receiving a maximum amount of USD295.

The Project Implementation Team (PIT), together with teams of consultants will support communities to identify livelihood enhancement activities, provide training and capacity building, and administer and monitor grants with the support of the CFC. A gender action plan will be implemented to encourage men to share domestic work so that women can effectively benefit from the livelihood support provided by the Project. The FiA (CMU) will transfer the grant directly to households after the PIT, FiA and the CFC have approved the eligible and prioritized recipient's Livelihood Enhancement Application (Annex 2).

**Key Performance Indicators.** The achievement of the Sub-component 3.2 (sub-grants for livelihood enhancements) will be measured through the indicators for project implementation as set out below. Data will be collected through a qualitative impact evaluation (baseline/end-line) and through the project Management Information System (MIS). The target indicators provide detailed information, please refer to the below table:

- Households in 20 Community Fisheries have received livelihood sub-grants for enhancement of their livelihoods through alternative means of income generations for year 2 (2018).
- Households in 30 Community Fisheries have received livelihood sub-grants for enhancement of their livelihoods through alternative means of income generations for year 3 (2019).
- Households in 20 Community Fisheries have received livelihood sub-grants for enhancement of their livelihoods through alternative means of income generations for year 4 (2020).
- At least 80% of participating households in target communities understand: (i) the resources channeled to their community; (ii) the criteria used for selection of eligible and priority households; (iii) financial management; and (iv) the project Grievance Redress System.
- Up to 80% of participating households in target communities have skills, knowledge and apply techniques on aquaculture, vegetable, livestock, mushroom and other alternative livelihood activities to increase productivity and income.

**TABLE 1. NUMBER OF NEW AND EXISTING CFI TO RECEIVE LIVELIHOOD ENHANCEMENT SUPPORT DURING THE LIFE OF THE PROJECT**

	YR1	YR2	YR3	YR4	YR5
Stung Treng	0	10	15	10	0
Kratie	0	10	15	10	0
<b>Total</b>	<b>0</b>	<b>20</b>	<b>30</b>	<b>20</b>	<b>0</b>

## 1.5. Project Location

The project's first component aims to establish sound fisheries resources management in the two provinces of Kratie and Stung Treng. The main socio-economic benefits of the planned activities come from the improvement of the communities' resilience to development pressures in the Mekong arising from improved fisheries management and by supporting community development through small rural investments. A quantitative economic appraisal of the construction of a new hatchery to supply fingerlings for wild stock enhancement of natural water bodies, and for stocking in artificial water bodies by participating communities has been developed.

## 1.6. Livelihood Sub-grants

Sub-grants for Livelihoods Enhancements. For Livelihood, sub-grants under Part 1.3 (b) of the Project will be available with the total value of approximately US\$1,035,000. This amount is subject to change in the course of implementation due to fluctuation of exchange rate between SDR and US dollars.

Funds of approximately US\$14,750 are available to support livelihood enhancements in each CFi. Livelihood Sub-grants will be awarded to individual households (HH) for the construction of fish ponds, concrete tanks or fish cages to farm (grow out) juveniles (fingerlings) of non-native or indigenous species of fish that will be produced by a hatchery (Sub-component 1.3.1). Other potential livelihood enhancement activities may include improvement in agricultural production using irrigation schemes, vegetable growing and livestock-raising. Handicraft as well as fish processing and improved storage facilities for agricultural produce are also possibilities.

**TABLE 2. DISBURSEMENT CATEGORY OF GRANTS**

No	Category	Amount of Financing Allocated (SDR)	Amount of Financing Allocated (USD)	Percentage of Expenditures to be Financed (inclusive of taxes)
2	Livelihood sub-grants for Fisher Livelihood Enhancements under Subcomponent 1.3 (b)	750,000	1,035,000	100% of amount Disbursed
	<b>Total amount</b>	<b>750,000</b>	<b>1,035,000</b>	

(Exchange rate SDR 1 equal to US\$ 1.38 at the time of the financing agreement, resulted category 2 amounting SDR 750,000. This amount is subject to change in the course of implementation due to exchange rate. In the course of implementation, the project should monitor the fluctuation of SDR conversion to USD in client connection. This will help management information to decide on fund availability in USD.

**Sub-grant duration:** Sub-grant disbursement is expected to be completed in three years (year 2018 to 2020). The two Provinces will be implementing the sub-grant activities simultaneously (i.e. there will be no phasing of interventions). Time-frame for project completion will include the implementation of the end-line survey to collect data on key outcome indicators. Therefore, sub-component activities 1.3 must be completed before the project closing date by June 1, 2021.

## 1.7. Purposes

The purpose of the Livelihood sub-grants is to support the enhancement of fishing community livelihoods of members of communities participating in the Project. The grants will assist household income generation in the rural areas where there is predominantly the CFis population living along the Mekong River and the 3S (Sesan, Sre Pok and Sekong) Rivers.



## 1.8. Target (eligible and priority) beneficiaries

Not all households (HHs) may qualify for support. Only eligible and prioritized households will receive a Livelihoods sub-grant. Criteria used to determine eligibility and to prioritise households to receive a sub-grant are summarized below:

### 1.8.1 Eligibility Criteria

1. The household is registered with the CFi.
2. The HH receives more than 50% of its total household income from fishing.
3. The household members participated in the First Community Assembly to become familiar with project.
4. The HH has the assets/equipment/land to successfully undertake the proposed livelihood activity.

### 1.8.2 Prioritization Criteria

A prioritization score of between 1 and 13 will be calculated for each applicant HH as follows:

1. HH headed by a woman. If yes, score 1, if no, score 0.
2. HH belongs to an Ethnic Group or minority household. If yes, score 1, if no, score 0.
3. HH classified as poor (as defined by the Government of Cambodia official poverty line) If yes, score 1, if no, score 0.
4. HH Capacity Total Score (see Guidance below for explanation). Value range 1- 5.
5. HH is negatively impacted by the Fisheries Management Plan. If yes, score 5, if no, score 0. Provide details.

Eligible and highest-scoring HHs, a maximum 50 HHs per CFi, will be prioritized to receive Livelihood Sub-grants.

**Livelihood sub-grants** up to a maximum amount of USD295 per household may be used for fish raising and the construction of fish ponds, concrete tanks, or fish cages to farm (grow out) juveniles (fingerlings) of non-native or indigenous species of fish that will be produced by a hatchery (Sub-component 1.3.1). Other potential LE activities may include irrigation schemes to improve agricultural production, vegetable growing and livestock-raising. Handicraft as well as fish processing and improved storage facilities for agricultural products are also possibilities:

**TABLE 3. ELIGIBLE LIVELIHOOD ENHANCEMENT ACTIVITIES**

No.	Livelihood Enhancement Activity
1	Fish pond and fish raising
2	Concrete tanks of fish cages and fish raising
3	Fish farm
4	Irrigation schemes
5	Vegetable growing
6	Livestock raising
7	Handicraft
8	Fish processing

No.	Livelihood Enhancement Activity
9	Storage of agricultural products
10	Mushroom farm
11	Frog farm
12	Other livelihoods activities (with approval of the Component Management Team)

## 1.9. Legally Registered Community Fisheries (CFis)

A summary of Benefits, Risks and Costs Analysis:

**Benefits.** Members of Registered Community Fisheries (CFis) by the Royal Government of Cambodia will be eligible to receive livelihood sub-grants. Formalizing an agreement with the legally registered CFC, to help the Project implement this Sub-Activity, will increase transparency and accountability, and it may be easier to ensure that disadvantaged and marginalized people are fully incorporated into the existing Community Fisheries.

**Risks.** Legal registration could take significant time and effort. Communities may prefer to work informally and not be involved with government in such a formal way. Proliferation of specific-purpose Committees within a community can be detrimental to coordinate development efforts. *To address this risk, only eligible and priority members of legally registered Community Fisheries can be recipients of livelihood sub-grants.*

**Costs.** Livelihood sub-grants with a total maximum amount of USD 1,035,000 are available. This will be disbursed to members of eligible and prioritized households in Kratie and Stung Treng. The impact of the sub-grants and costs will be assessed at the end of the Project against the baseline survey data using a MIS/Spreadsheet.

**Project Design Considerations.** Reporting and accountability aspects of project design should reflect the legally mandated registered CFis in Kratie and Stung Treng (selected by FiA) rather than project-specific requirements.

## 2 Guidance for Sustainable Livelihoods

### 2.1 Livelihoods Defined

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain its capabilities and assets both now and in the future, while not undermining the natural resource base (Chambers and Conway 1991).

The term “livelihoods” can have different meanings whether they are “enhanced” livelihoods, “diversified or supplemental” livelihoods, or “alternative” livelihoods.

**Enhanced livelihoods** primarily focus on adding value to ongoing traditional or historical activities. Strategies that enhance livelihoods move communities and stakeholders up the value chain by improving ongoing economic activities that could,



with support, provide higher and more sustainable income streams. For example, an enhanced livelihoods program could provide extension services to teach beekeepers how to process, package, and market honey and related products. Additional activities include providing financial capital to expand current production of various products; technical support to develop more effective crab fattening and marketing or more effective fish drying and marketing; connecting products to markets to increase opportunities to sell sustainably harvested or produced goods (i.e., value chain); or encouraging more ecologically sensitive use of local resources for income generating activities (e.g., creating mangrove nurseries in communities for seedling sale and replanting activities, cultivating seaweed, etc.). Communities generally take up approaches under the 'enhanced livelihood' category more easily because, in some way, they are already part of the community's day-to-day economic life.

**Supplemental and diversified livelihoods** are somewhat different, intended to reduce household dependence on a single livelihood for income and food (e.g., fishing or fish harvesting). A diversification strategy sometimes includes elements of enhancing existing livelihoods *and* adopting "supplemental" strategies (making current practices more sustainable). This strategy is less risky than alternative livelihoods (below), but it requires greater investment than simply enhancing current, ongoing livelihoods activities. Supplemental or diversified livelihoods can potentially reduce pressure on natural resources. For example, even if fishermen continue fishing, they might reduce their individual fishing effort if they are able to get some income from another livelihood. Supplemental livelihoods can also be a step towards switching to an alternative livelihood (see below). Examples may include new, non-resource dependent alternatives (e.g., mat weaving or other crafts production, introduction of seaweed production, etc.). Often, supplemental or diversified livelihoods have the added benefit of making a primary livelihood safer, healthier, more effective, more efficient, lower risk, and ultimately lead to better outcomes. Supplemental livelihoods provide sources of income that strengthen compliance with other fisheries management efforts such as improved habitat protection through conservation zones or community fisheries.

**Alternative livelihoods** require considerable extension/outreach support to set up and sustain – often involving financial, technical, and material input from government, communities, and the business sector. Because of the additional time and support needed, government roles are critical including forming and sustaining extension and outreach support. Alternative livelihood development presents the promise of reduced pressure on resources; however, it is the most extreme of options for livelihoods support because it implies a switch of livelihoods. Completely changing occupations makes alternative livelihoods risky for those involved. For example, teams may attempt to persuade fishermen to exit overexploited fisheries for other occupations, thereby reducing pressure on fish resources. However, past studies demonstrated that fishers often are satisfied and enjoy the fishing occupation. Hence, fishermen often lack the aspiration to exit fishing (or such activities as coral harvesting) and the attempt to introduce completely alternative livelihoods often fails (Pomeroy et al. 2005). Fishers may experiment with an alternative, but in many cases the evidence shows they eventually end up back at what they know and love to do so well – fishing.

### 3 Project Management

#### 3.1 Implementing arrangements

**Livelihood grants implementation will be managed by the CMU (FiA), who will manage the financial affairs, administrative work, and technical livelihood activities.** FiA will submit the required progress reports and financial statements for implementation of livelihood sub-grants as part of the Project Progress Reports/Interim Financial Reports (IFRs). **In addition, independent audit, of the project financial statements by an external auditor acceptable to the World Bank, will be conducted annually.** The scope of the audit will also include a site visit and physical inspection with a randomly selected sample size of at least 10 Community Fisheries per year out of the total number of Community Fisheries in each annual audit.

**FiA is the public organization under the Ministry of Agriculture, Forestry and Fisheries (MAFF). FiA has the Component Management Unit (CMU) at national and the PIT at sub-national level. The Community Fisheries Committee (CFC) provides a final organizational tier at the CFi level.** The CFC will be responsible for: (i) providing support to the community fishery (CFi) and their networks for the implementation of livelihood enhancement in rural areas; (ii) helping administer financial support (livelihood grants) to community fisheries organizations and support economic development and income generations; (iii) supporting the development of community fisheries organizations and their networks; and (iv) coordinating cooperation among development partners both public and private to support community fisheries organizations.

The Provincial FiA (PFiA) head the PITs in Kratie and Stung Treng. The Fisheries Administration Cantonments have a solid track record and long experience of working with the community fisheries. Particularly, they have been successful in formulation and registering community fisheries, implementing self-help groups, saving groups, conservation of fishing lots, and patrolling and monitoring of protected community fisheries conservation areas as well as implement some livelihood activities.

#### 3.2 Institutional Arrangements

**The institutional arrangements for the project are outlined in Table 4 below.** The FiA project management team will discharge their responsibility for FiA's overall governance structure and report to FiA's RGC Delegate and those in charge of this project.

**The Component Management Unit (CMU)** headed by the Component Director will be established specifically to provide guidance on livelihood sub-grants activities (among other responsibilities in implementing the component) and will be responsible for the final approval of sub-grant applications after they have been reviewed and endorsed by the PFiA that heads each PIT and the CFC. The CMU will transfer livelihood sub-grants to the eligible and priority households in each CFi.

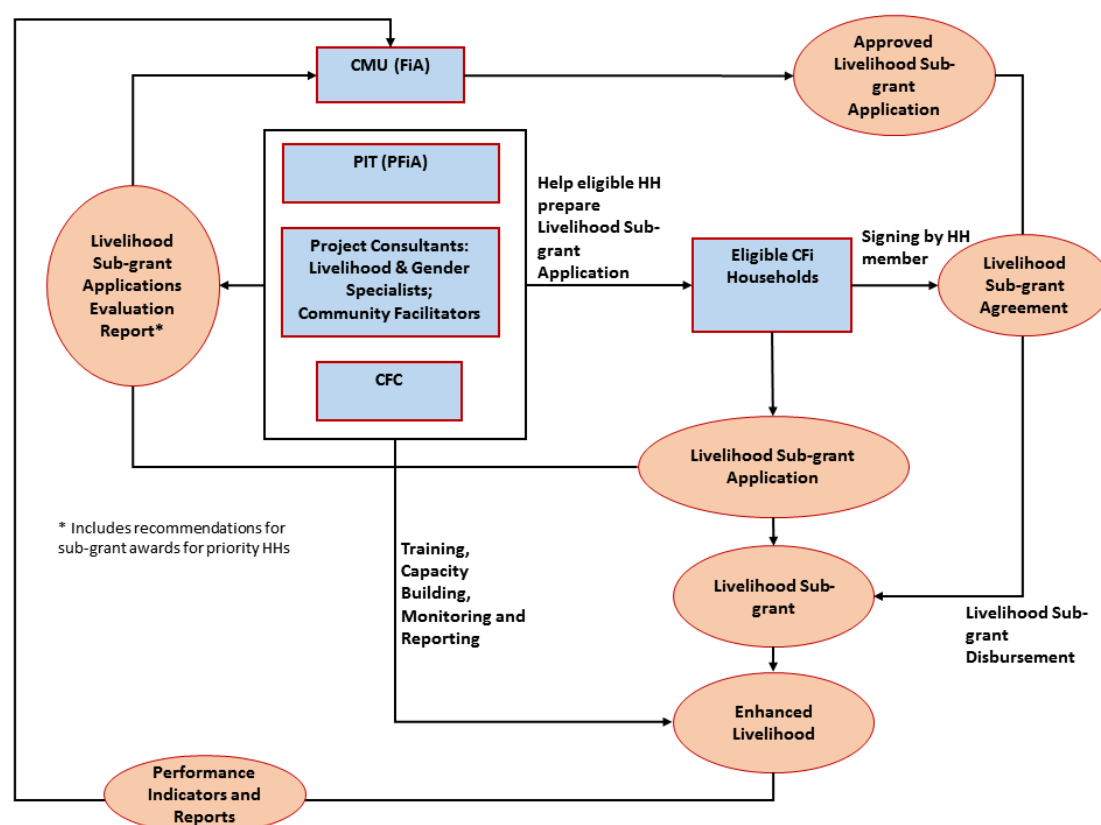
Livelihood sub-grant applications (proposals) submitted to the CMU shall have prior endorsement by both:

- (i) the **Project Implementation Team (PIT) for the province headed by the PFiA and supported by** the Project's Livelihood and Gender Specialists and Community Facilitators (also referred to as the PIT), and
- (ii) the **Community Fisheries Committee (CFC).**

The Livelihood sub-grant applications (proposals) submitted to the CMU will be attached to a Grant Applications Evaluation Report that will be prepared by the PIT and endorsed by the CFC. This Report will summarize the results of the eligibility assessment and prioritization of the applications received, as well as recommendations directed at the CMU for sub-grant approvals.

These stakeholders will work together to administer, support and monitor Livelihood Enhancement (LE) projects. Responsibilities include: raising awareness of the Component sub-activity within each CFi; identifying eligible and priority households and eligible Livelihood Enhancement projects; providing support to households to prepare Livelihood sub-grant applications, training and capacity building and to provide support during LE activity implementation including monitoring and reporting.

**FIGURE 1. INSTITUTIONAL ROLES AND RESPONSIBILITIES FOR LE ACTIVITIES**



**TABLE 4. INSTITUTIONAL ROLES AND RESPONSIBILITIES**

<b>Institution</b>	<b>Entity</b>	<b>Functions</b>	<b>Roles</b>
<b>FiA</b>	<b>Delegate of RGC in charge of FiA</b>	<ul style="list-style-type: none"> <li>● <b>Delegate of RGC in charge of FiA</b></li> </ul>	<b>General oversight</b> <ul style="list-style-type: none"> <li>● Overall responsibility.</li> <li>● Approve release of fund for sub-grants.</li> </ul>
<b>CMU</b>	<b>Component Director</b>	<ul style="list-style-type: none"> <li>● Report directly to RGC delegation</li> </ul>	<ul style="list-style-type: none"> <li>● Overall responsibility.</li> <li>● Manage the grant activities.</li> </ul>
	<b>Component Manager</b>	<ul style="list-style-type: none"> <li>● Report directly to Component Director</li> </ul>	<ul style="list-style-type: none"> <li>● Supervisory and management role of the project team and field teams.</li> <li>● Develop and review Project Implementation Plan.</li> <li>● Overall technical guidance for project implementation.</li> <li>● Communication with the WB team on project.</li> </ul>
	<b>CMU and Project Consultants</b>	<ul style="list-style-type: none"> <li>● Admin</li> <li>● FM</li> <li>● Technical</li> </ul>	<ul style="list-style-type: none"> <li>● Issue 'Livelihood Enhancement Support Agreements' for signing by the CFC.</li> <li>● Review and approve Livelihood Sub-grant applications and recommendations contained in the 'Sub-grant Applications Evaluation Report' submitted for each CFi by the PIT and the Project Consultants and endorsed by the CFC.</li> <li>● Issue to each HH approved to receive a sub-grant, (via the PIT), a signed 'Livelihood Sub-grant Agreement' for signing and return by HH with their Bank Account Details (via the PIT).</li> <li>● Disburse one tranche of sub-grant to HH on receipt of their signed 'Livelihood Grant Agreement' and bank account details.</li> <li>● Administration.</li> <li>● Financial and Banking.</li> <li>● Project Performance monitoring and reporting.</li> </ul>
<b>PIT</b>	<b>Project Implementation Team (PIT)</b> Includes: PFiA, Project admin staff; Livelihoods Specialist; Community Facilitator; Provincial Community Fisheries Specialist; Provincial Financial Management Specialist; Gender Specialist.	<ul style="list-style-type: none"> <li>● Implementation of Component sub-activity at Provincial level.</li> <li>● Admin</li> <li>● FM</li> <li>● Monitoring</li> <li>● Reporting</li> </ul>	<ul style="list-style-type: none"> <li>● Undertake baseline surveys or review findings of previous surveys to profile the community and determine the presence/absence of Ethnic Groups.</li> <li>● Brief the CFC on the project activities and their roles and responsibilities and establish a 'Livelihood Enhancement Support Agreement' between the FiA and the CFC.</li> <li>● Help announce, organize and facilitate the First Assembly 'Orientation Meeting' with the CFC.</li> <li>● Provide technical advice and other support to households to prepare Livelihood Grant Applications (proposals).</li> <li>● Review Livelihood Sub-grant Applications to screen for eligible households and LE activities and to identify priority households to receive sub-grants.</li> <li>● Prepare a 'Sub-grant Applications Evaluation Report' endorsed by the CFC, containing the results of the eligibility assessment and prioritization of the applications received, as well as recommendations directed at the CMU for sub-grant approvals. Submit to the CMU for review and final approval.</li> <li>● Help announce, organize and facilitate the Sub-grant Award Announcement Meeting.</li> </ul>

Institution	Entity	Functions	Roles
			<ul style="list-style-type: none"> <li>● Help the households selected for Livelihood Sub-grants to open an account at a nearby ACLEDA bank branch.</li> <li>● Monitor the disbursement of sub-grants.</li> <li>● Training and capacity building.</li> <li>● Provide technical and other support during LE activity implementation</li> <li>● Implementation progress monitoring and livelihood impact evaluation and reporting. Verify completion reports.</li> <li>● Facilitate coordination with related organizations/ entities.</li> </ul>
<b>CFi</b>	<b>Community Fisheries Committees (CFCs)</b>	<ul style="list-style-type: none"> <li>● Chaired by CFC head</li> <li>● Head of CFCs Committee</li> <li>● All CFCs members</li> </ul>	<ul style="list-style-type: none"> <li>● Sign a 'Livelihood Enhancement Support Agreement' with the FiA.</li> <li>● Help announce, organize, facilitate and chair the first 'Orientation Meeting'.</li> <li>● Help HH prepare their Livelihood Sub-grant Application Form.</li> <li>● Help the PIT to review Livelihood Sub-grant Applications to screen for eligible households and LE activities and to identify priority households to receive sub-grants.</li> <li>● Endorse the 'results and recommendations of the 'Sub-grant Applications Evaluation Report'.</li> <li>● Help announce, organize and facilitate the Sub-grant Award Announcement Meeting.</li> <li>● Countersign the LE Activity Completion Form (Annex 5) verifying that the households' LE activity (as described in the activity schedule proposed in their Livelihood Sub-Grant Application Form) has been successfully completed by the HH.</li> <li>● Post regular community notices in public places reporting grant awards, livelihood enhancement activities and outcomes.</li> <li>● Monitor the disbursement of sub-grants and verify completion reports.</li> <li>● Provide general support to the PIT to administer, support and monitor Livelihood Enhancement (LE) projects.</li> </ul>
	<b>HH</b>		<ul style="list-style-type: none"> <li>● Attend first 'Orientation Meeting'.</li> <li>● Attend second 'Livelihood Options Meeting'</li> <li>● Prepare a 'Livelihood Sub-grant Application'.</li> <li>● Attend the Third Grant Award Announcement Meeting.</li> <li>● If Application is successful, open a Bank account and sign and return (via the PIT) the Livelihood Sub-grant Agreement signed and issued by the FiA (CMU). Attach to the Agreement, the bank account details.</li> <li>● The CMU will disburse the tranche of the sub-grant (USD295) upon receipt of the signed Agreement and the banking details.</li> <li>● Attend livelihood training and capacity building activities as required.</li> <li>● Cooperate with the project team with all administration, and monitoring activities.</li> <li>● Complete 'Livelihood Sub-grant Completion Form'</li> </ul>

### 3.3 Negative list

Livelihood sub-grants may not be used to fund any of the activities listed in Table 5 below.

**TABLE 5. NEGATIVE LIST OF ACTIVITIES**

1. Weapons, chainsaws, explosives, pesticides, insecticides, herbicides, asbestos, and other potentially dangerous materials.
2. Damage or loss to cultural property, including sites having archeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.
3. Sub-grant activities in areas where there are on-going land tenure disputes.
4. Use of project funds for purchase of compensation for land.
5. Microcredit and livelihood activities which involve on-lending of project funds.
6. Sub-grants activities that require Environmental Impact Assessment (EIA) given that the estimated potential negative impacts on the environment are very high (e.g. construction of dams, building of highways, etc.).
7. Sub-grants activities that require full Resettlement Plan (e.g. that involves relocation of households).
8. Activities that have prior sources of committed funding.
9. Activities in communities with on-going land tenure disputes.
10. Political and religious activities, rallies and materials.
11. Salaried activities that employ children below the age of 18 years.
12. Activities that unfairly exploit women or men at any age.
13. International travel.
14. Payments for other charity events or donation.
15. Payment for exchange visits
16. Activities that promote alcohol, sexual entertainment Sub-grant activities that promote the use of chemical fertilizers, and pesticide which could lead to hazard to environments.
17. Assistance or training of military, police, National Guard or other quasi-military organization or unit.

### 3.4 Other Limitations

#### **D. Livelihoods Sub-Projects**

1. No Sub-project shall be eligible for financing out of the proceeds of the Financing unless such Sub-project has been prepared, approved and implemented in accordance with the guidelines and procedures set forth in the Livelihoods Enhancement Manual.
2. With respect to each eligible Livelihood Sub-project for which the Recipient has decided to make available a Livelihood Sub-grant, the Recipient shall enter into or cause to be entered into a Livelihood Sub-grant Agreement with the proposed Beneficiary on terms and conditions satisfactory to the Association, which shall include the following:
  - (a) the amount of the Livelihood Sub-grant which shall be denominated in Dollars;
  - (b) details of agreed disbursement schedules;
  - (c) provisions to suspend or terminate the right of the Beneficiary to use the proceeds of the Livelihood Sub-grant, or obtain a refund of all or any part of the amount of the Livelihood Sub-grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Livelihood Sub-grant Agreement; and
  - (d) requirements to: (A) carry out its Livelihood Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Livelihood Sub-grant and Credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose of the Livelihood Sub-project; (C) procure the goods, works and services to be financed out of the Livelihood Sub-grant in accordance with the provisions of this Agreement; (D) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Sub-project; (E) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (F) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
3. No Livelihood Sub-project shall be eligible for financing unless a Livelihood Sub-grant Agreement has been concluded to this effect on terms and conditions set forth in the Livelihood Enhancement Manual.
4. The Recipient shall exercise its rights under each Livelihood Sub-grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive any Livelihood Sub-grant Agreement or any of its provisions.

### 3.5 Grievance Redress Mechanism at the Project Level

As with the MIS database/Spreadsheet, FiA's Grievance Redress Mechanism (GRM) will be partially built on FiA's existing system but will add new elements.

FiA provides livelihood sub-grants to the local household beneficiaries. In the course of implementation, the FiA may receive complaints from the communities to provincial FiA cantonments offices, top management and the director. The GRM system in place is regulated by “FiA’s Regulation on Rules and Procedures for Considering Complaints”. The document establishes that all complaint cases are recorded and investigated by the relevant divisions and appropriate corrective action is taken.

If the complainants involve FiA staff, fact-finding commissions are set up by the Director to investigate the case. If the commission concludes misconduct of the staff, a disciplinary commission is set up to determine the punishment. The Director makes the decision on the punishment, which could be either probation, no salary raise, salary cut, temporary job suspension, forced resignation, or firing.

All cases that are sent to the Director should be processed within 1-15 days depending on their complexity through the CMU complaints handling unit. Local authorities can help to settle cases, and 80% of grievance cases should be handled by FiA. The project should usually settle cases at the local level.

Under this system, complaints are made through a **hotline number provided to each Fisher Community**, and goes directly to the FiA’s Director.

GRM will be built, but will include **additional channels** for grievance uptake and dissemination methods used to ensure that beneficiaries are fully aware about their rights and ways to complain, as explained below.

Under this GRM system, any GRM feedback / comments will be submitted through the following 3 channels:

1. *Community Fisheries Level*
  - GRM letter or GRM Form will be sent to Community Fisheries Committee (CFC)
  - Project beneficiaries / community residents (household members) can participate in the community meeting and request to record GRM or recommendation in the meeting’s minutes.
2. *Provincial Level*
  - GRM letter or GRM Form will be sent to Provincial Cantonment Offices or Sub-component manager
3. *National Project level*
  - GRM letter or GRM Form will be sent directly to Delegation, and Component Director
  - GRM feedback will be sent through FiA Website
  - GRM feedback will be sent through email to FiA National Project Office.



**Grievance information will be made available to communities to ensure transparency and accountability.** Information related to the progress of cases received will be placed in conspicuous places so that community members can help track their progress. No case can be ignored or discarded without written explanation/ clarification to confirm the jurisdiction.

Grievances against FiA can be sent to Community Facilitators, Provincial Sub-component Manager, Component Manager, Component Director, or RGC delegation. The GRM to be created and it will be guided by the following principles:

- (i) Any stakeholder may file a grievance if s/he believes one or more of their rights to full information, participation have been infringed, if resources are considered not to have been used adequately/transparently or if environmental or social mitigation measures to safeguard against potential negative impacts have not been adequately followed. In sum the GRM allows for the submission and processing of all **complaints regarding corruption or the distortion of project procedures.**
- (ii) The Grievance mechanism includes procedures for the submission, registration, reporting, and resolution of complaints and the use of sanctions. The **GRM form** (Annex 7) should be used by Community Fisheries members and Community Facilitators to register grievances. These data will be entered into FiAs MIS or Excel Record, allowing the track of information such as:
  - Number of complaints/ grievances registered
  - Percentage of grievances resolved
  - Percentage of grievances redressed within stipulated time period
  - Time required to resolve complaints (disaggregated by different types of grievances)
  - Percentage of complainants satisfied with response and grievance redress process.

As indicated in the above statement, this information will be included in the sub-projects monitoring reports.

- (iii) The detailed GRM procedures will be posted in conspicuous places as part of the Component 1. The mechanism shall protect community residents (household members) and others reporting cases of intimidation or retribution.
- (iv) Complaints may be accepted from any interested person or organization. Three categories of complaints are expected: those regarding the sub-grants **processing and procedures; unfairly/ bias allocation of sub grants funds in favor of crony/friend and partisan; sub grants given in exchange for kickback, and inappropriate intervention by officials or project personnel.** There may also be more simple complaints raised during community assembly meetings, related for example to requests for more information, lack of communication, etc. All of these should be registered.

- (v) The aforementioned two main types of grievances may be dealt through different channels. The first type of grievance, regarding problems identified in processes, inappropriate interventions and bias and misjudge of allocation of funds, would be registered, discussed by FiA team and taken to FiA's responsible unit for complaint handling to take the appropriate action. The second type, related to less complex requests, should also be registered at meetings and discussed at FiA team's monthly meetings.
- (vi) FiA's team should establish a periodical review process of the GRM system in place (e.g. a review report will be prepared every 6 months to ensure that the grievance redress mechanisms are effectively working and allow for any potential needed mid-course corrections; during the first year).

### 3.6 Grievance Redress Mechanism to the World Bank

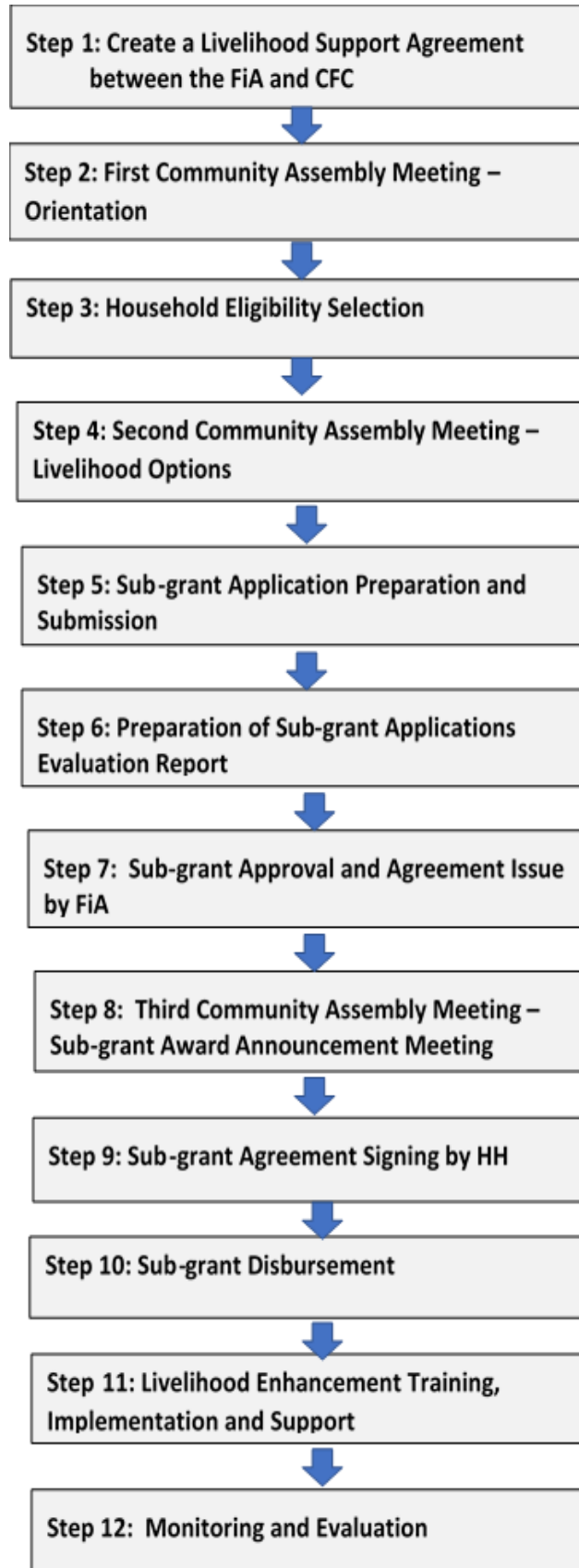
Any stakeholders may file a grievance if s/he believes one or more of their rights to full information, participation have been infringed, if resources are considered not to have been used adequately/transparently or if environmental or social mitigation measures to safeguard against potential negative impacts have not been adequately followed. The complaint can be lodge to the World Bank directly.

Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond.

For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## 4 Livelihood Enhancement (LE) – The Process

A 12-step process will be followed to prepare and submit the Livelihood Enhancement Sub-grants for the project (Figure 2). Monitoring will be undertaken to evaluate the performance of this sub-component activity and for FM purposes.



## **Step 1 Create a Livelihood Support Agreement between the FiA and CFC**

Lead: PIT and CFC.

Key Activities (incl. Safeguards):

- The PIT should brief the CFC about the Sub-Activity and the processes (steps) to be followed.
- The following expected roles and responsibilities of the CFC to help implement this Sub-Activity should be clearly described and explained to the CFC members:
  1. Help announce, organize, facilitate and chair the first 'Orientation Meeting'.
  2. Help CFi member households (HHs) prepare their Livelihood Sub-grant Application Form.
  3. Help the PIT to review Livelihood Sub-grant Applications to screen for eligible households and LE activities and to identify priority households to receive sub-grants.
  4. Endorse the 'results and recommendations of the 'Sub-grant Applications Evaluation Report'.
  5. Help announce, organize, facilitate and chair the Sub-grant Award Announcement Meeting.
  6. Countersign the LE Activity Completion Form (Annex 5) verifying that the households' LE activity (as described in the activity schedule proposed in their Livelihood Sub-Grant Application Form) has been successfully completed by the HH.
  7. Post regular community notices in public places reporting grant awards, livelihood enhancement activities and outcomes.
  8. Monitor the disbursement of sub-grants.
  9. Provide general support to the PIT to administer, support and monitor Livelihood Enhancement (LE) projects.
- In return for meeting these supporting roles and responsibilities, the CFC will be entitled claim 'operating costs' up to a maximum of \$147,000 during the life of the Project. These 'operating costs' can include the following expenditure items: Fuel and local travel/transportation costs, foods/meals for site monitoring visits, stationery and meeting expenses. To claim these operational expenses, the CFC will be required to submit a Pay Slip to confirm the expenditure and to be approved by CFC head. See Annex 8 for detailed Financial Management Guidance.
- The CFC will be required to sign a 'Livelihood Enhancement Support Agreement' with the FiA (see Annex 1). This is a formal agreement by the CFC to undertake the roles and responsibilities listed above on behalf of the members of the CFi, in return for operating costs to be paid by the FiA (CMU).

## **Step 2: First Community Assembly Meeting – Orientation**

### **Step 2.1: Preparation**

Lead: PIT, CFC, Livelihoods, Gender Consultant, and Community Facilitators.

Key Activities (incl. Safeguards):

- The PIT and the Project Consultants (PIT) should identify whether Ethnic Groups (or Indigenous Peoples) are present in the Commune from baseline survey results, social assessments or from the results of earlier Fisheries Management Planning or RI investment activities.
- The PIT and the Project Consultants should help the CFC to announce the meeting. The announcement should clearly state the venue and date for the meeting, introduce the project, and describe the meeting purpose, planned activities (meeting agenda), and the expected outcomes. The date and time of the meeting should be convenient for the community including the working schedules of women and Ethnic groups (EGs) to ensure they are able to attend.
- A poster should be prepared for the announcement and displayed on the village noticeboard ahead of the meeting. The village head might also make an announcement.
- Copies of the Livelihood Sub-grant Application Forms (Annex 2) should be prepared.

### **Step 2.2: Orientation Meeting**

Lead: CFC, PIT, Livelihoods, Gender Consultant, Community Facilitators, CFI and commune members.

**Meeting Purpose:** To raise awareness of the Sub-Component purpose, objectives, activities, process, available sub-grants, and household (HH) eligibility and prioritization criteria and eligible livelihood activities. The meeting will also provide an opportunity to explain process that will be followed to identify eligible and priority HHs including the support that can be provided for preparing grant applications, and for training and capacity building. Livelihood sub-grant agreements and grant disbursement mechanisms will be explained.

If needed, this First Community Assembly Meeting can be held again to ensure that all households have a chance to participate and learn about the project.

**Note:** Because criteria used to prioritize CFI households for sub-grants includes potential impacts (effects) to HHs arising from the implementation of CFI management plans formulated with the support of this Project, the process of identifying eligible and priority households should not begin until the CFI management plan has been formulated and approved and when impacted HH can be identified. Alternatively, sufficient funds should be reserved for households that may subsequently be identified as impacted after the management plan has been formulated and approved. If this Sub-Activity is undertaken before the management plan is formulated and agreed, the impacts of the management plan on CFI HHs cannot be included as prioritization criteria.

### Key Activities (incl. Safeguards):

- This First Community Assembly will be chaired by Community Fisheries Committee (CFC) head, facilitated by Provincial Project Facilitator/Livelihood Specialist and attended by CFi household members
- The meeting will provide an opportunity to introduce the CFi members to the sub-component activity and to describe the process and activities to be followed.
- Present the list of 'Eligible' livelihood activities and announce the available funds for Livelihood Enhancement (LE) activities.
- Describe the Livelihood sub-grant Application Form (Annex 2) and how the information provided will be used to screen for eligible households and livelihood activities, and to prioritize households to receive livelihood sub-grants.
- Distribute copies of the Livelihood Sub-grant Application Form.
- Explain the roles of the Livelihood Specialist, Community Facilitator, CFCs and other support staff.
- Describe the available sub-component support for preparing the Livelihood Sub-grant Application Form, and for training and capacity building.
- Explain the Grievance Redress Mechanism.
- If Ethnic Groups (EG) are present in the Commune, ensure free, prior and informed consultations are held with them in a culturally appropriate manner (see the Project's ESMF for further guidance).
- Ensure that women and vulnerable members of society are able to actively participate in the meeting and have an equal opportunity to benefit from the available sub-grant funds.
- The PIT and the Project Consultants should prepare meeting minutes including a list of participants.

### Step 3: Household Eligibility Selection

Lead: PIT, CFC, Livelihoods, Gender Consultant and Community Facilitators.

Purpose: The CFi member households are evaluated based on eligibility criteria to determine their eligibility for sub-grants for livelihood enhancement packages. Following the assessment, a household is informed of its eligibility for a sub-grant.

#### Key activities (and safeguards):

- Meet with interested HHs to assess eligibility
- Determine eligibility based on the following criteria:
  - o Is your household registered with the CFi? Y/N
  - o Does the HH obtain more than 50% of its total household income from fishing? Y/N?
  - o Did household members participate in First Community Assembly to become familiar with project? Y/N?
  - o Is your HH willing to co-finance the proposed livelihood activity? Y/N?
  - o Does your HH have the assets/equipment/land to successfully undertake a proposed livelihood activity? Y/N?
- Inform the household of its potential eligibility for a sub-grant.

## **Step 4: Second Community Assembly Meeting – Livelihood Options**

### **Step 4.1: Preparation**

Lead: PIT, CFC, Livelihoods, Gender Consultant and Community Facilitators.

Key Activities (incl. Safeguards):

- The PIT and the Project Consultants should help the CFC to announce the meeting. The announcement should clearly state the venue and date for the meeting, describe the meeting purpose, planned activities (meeting agenda), and the expected outcomes. The date and time of the meeting should be convenient for the community including the working schedules of women and Indigenous People (Ethnic Groups) to ensure they are able to attend.
- A poster should be prepared for the announcement and displayed on the village noticeboard ahead of the meeting. The village head might also make an announcement.
- Copies of the Livelihood Sub-grant Application Forms (Annex 2) should be prepared.

### **Step 4.2: Livelihood Options Meeting**

Purpose: The Second Community Assembly is to inform eligible CFI households and community members about different livelihood enhancements options available to them through the project.

Lead: CFC, PIT, Livelihoods, Gender Consultant, Community Facilitators, and eligible CFI members.

Key Activities (incl. Safeguards):

- Provide a brief overview of each of the livelihood enhancement options including levels of risk, technology requirements, financial requirements, skill level, returns, marketing and support
- Hold an open discussion to answer questions from the participants
- Answer any questions about eligibility for sub-grants.
- The PIT and the Project Consultants should prepare meeting minutes including a list of participants.
  - If needed, the Second Community Assembly can be held again to ensure that all CFI households have had a chance to participate and learn about the livelihood enhancements.

Note: The Livelihood Consultant and Community Facilitators should make themselves available to the HHs to answer questions and provide support for livelihood enhancement selection. The Livelihood Consultant and the Community Facilitators should assess each household on their feasibility to undertake the livelihood enhancement activity (social, economic, market, technical).

## **Step 5. Sub-grant Application Preparation and Submission**

Lead: CFC, PIT, Livelihoods, Gender Consultant, Community Facilitators, eligible CFI members.

Key Activities (incl. Safeguards):

Following the second community assembly meeting, eligible households wishing to apply for a Livelihood Sub-grant are required to complete a Livelihood Sub-grant Application Form (see Annex 2) that will be made available during the both the First and Second Assembly Meeting. The form should be completed by the household applicant with the help of the Project's Livelihood Specialist and/or the Community Facilitator who will also need to complete Section (c) and (d) of the form. The content of the form will be used by the PIT to screen for eligible households and livelihood activities and prioritizes households to receive grants. Note, eligible CFI households may apply only one for a sub-grant.

### **Step 6. Preparation of Sub-grant Applications Evaluation Report**

Lead: PIT, Livelihoods, Gender Consultant, Community Facilitators and CFC

Key Activities (incl. Safeguards):

- The PIT and CFC should meet to review the Livelihood Sub-grant Applications submitted by eligible CFI households.
- Grant applications should first be screened for eligible households and eligible LE activities. Assessments of households made in Step 3 can be used to help verify the information provided by the sub-grant applicants, particularly with respect to eligibility criteria.
- For those households and activities that are eligible to receive grant support, the scores assigned by the PIT and Consultants in Section (c) and (d) should be checked, and a total score calculated.
- The PIT and the CFC should request any outstanding information from the applicant household if necessary.
- The PIT with the support of the CFC should prepare a 'Sub-grant Applications Evaluation Report' (Annex 3) for each CFI containing the results of the eligibility assessment and prioritization of the applications received, as well as recommendations directed at the CMU for sub-grant approvals.
- Copies of all Livelihood Grant Applications received from HHs in the CFI, and meeting minutes should be attached to the Evaluation Report.
- The CFC will endorse the results and recommendations of the Evaluate Report by means of signature.
- The Sub-grant Applications Evaluation Report for the CFI should be submitted to the CMU for final review and approval.

### **Step 7. Sub-grant Approval and Agreement Issue by FiA.**

Lead: CMU (FiA)

Key Activities (incl. Safeguards):

- The CMU will hold a meeting to review and approve the Livelihood sub-grant applications and recommendations contained in the 'Sub-grant Applications Evaluation Report' submitted for each CFI by the PIT and the Project Consultants and endorsed by the CFC. The meeting will be chaired by Component Director; and facilitated by the Sub-Component Manager and other technical team members at the national level. Meeting minutes should be recorded and filed.



- The CMU will then issue an FiA-signed 'Livelihood Sub-grant Agreement' (Annex 4) for signing and return by each household applicant awarded a livelihoods sub-grant after the Award Announcement Meeting (Step 8) has taken place.

### **Step 8. Third Community Assembly Meeting – Sub-grant Award Announcement Meeting**

Lead: CFC, PIT, Livelihoods, Gender Consultant, Community Facilitators and Awarded HHs.

Key Activities (incl. Safeguards):

- The PIT and the CFC will announce, organize facilitate and chair the Third Assembly - Award Announcement Meeting. The purpose of the Meeting is to publicly announce which households and their livelihood activities have been prioritized to receive Livelihood sub-grants following the reviews, recommendations, endorsements and approvals made during Steps 6 and 7.
- The meeting will also be used to provide further guidance on the next steps to be followed to complete the Livelihood Sub-grant Agreement (Grant signing procedures), to explain the procedures for the disbursement of funds, and next steps of engagement and support.
- The PIT should prepare meeting minutes including a list of participants.
- Following the Meeting, the PIT and the Project Consultants will help the households selected to receive Livelihood sub-grants to open an account at a nearby ACLEDA bank branch to receive the Livelihood sub-grant.

### **Step 9. Sub-grant Agreement Signing by HH**

Lead: CFC, PIT, Livelihoods, Gender Consultant Community Facilitators and Prioritised HHs.

Key Activities (incl. Safeguards):

- The PIT and CFC will notify the CMU of the completion of the Grant Award Meeting and instruct the CMU to issue the FiA-signed 'Livelihood Sub-grant Agreement' to each household applicant awarded a livelihoods sub-grant. A copy of the applicants Livelihood sub-grant Application Form should be attached to the Agreement.
- The applicants should then review and sign the 'Livelihood Sub-grant Agreement' and return to the CMU via the PIT and copied to the CFC. Details of the applicant's bank account should be attached to the Agreement.
- Each Agreement should be countersigned by the PFiA and the CFC.
- Procedures and specific actions related to suspension or termination of the sub-grant award are included in the Agreement.

### **Step 10. Sub-grant Disbursement.**

Lead: CFC, PIT, Livelihoods, Gender Consultant, Community Facilitators and Awarded HHs.

Key Activities (incl. Safeguards):

- Grant disbursement will be completed in one tranche.
- The CMU will disburse the tranche of the sub-grant awarded to households upon receipt of their signed 'Livelihood Sub-grant Agreement' with attached bank account details.
- A record of all bank transfers will be maintained by the CMU, PIT and CFC.

### **Step 11. Livelihood Enhancement Training, Implementation, and Support.**

Lead: PIT, PFIA, Livelihoods, Community Facilitators and Awarded HHs.

Key Activities (incl. Safeguards):

- The lead stakeholders will provide guidance and technical training to help the selected households to further plan and implement their selected LE activities.
- Specialist training in aquaculture will be provided as part of the Project Component 1 activities to construct and operationalize a new fish hatchery in Stung Treng (sub-activity 1.3.1).
- Households will receive training and knowledge certificates confirming they have the knowledge and capacity to implement their selected livelihood.
- The PFIA may mobilize expertise from the Provincial Department of Agriculture, Fisheries and Forestry and other institutions.

CFC, Community facilitators, and livelihood specialist will be tasked to monitor and support the households for sub-grant implementation. At the Community level, monitoring sub-grant implementation will be done by the CFC with the support of Community facilitators, livelihood specialist, agriculture extension, veterinarian, and FiA technical staff at the National Offices.

### **Step 12. Monitoring and Evaluation**

Lead: PIT, CFC, Livelihoods, Gender Consultant, Community Facilitators and Extension staff.

Key Activities (incl. Safeguards):

- The CFC should post regular community notices in public places reporting grant awards, livelihood enhancement activities and outcomes.
- The lead stakeholders will monitor and evaluate the outcome of the LE activities of individual households. Site visits will be necessary. A Livelihood Sub-grant Implementation Completion Report should also be prepared for each grant recipient (See Annex 6).
- An overall summary of the livelihood enhancement outcomes for each CFI should also be prepared by the Livelihoods specialist.

## Sub-grant Project Closure

Livelihood sub-grants can be closed for two reasons: 1) the successful completion of activities and 2) the termination of activities due to force majeure (unforeseeable circumstances) or breach of contract.

Successful completion of livelihood enhancement activities:

- Community Fisheries Committee/Livelihood Specialist informs FiA upon sub- grant completion that the sub-grant activities have been carried out successfully
- The Community facilitator and Livelihood Specialist conducts a final site visit to verify that all sub-grant activities have been carried out as agreed to or amended during the course of the sub-grant implementation
- The Community facilitator and Livelihood Specialist and CFC fill out and sign sub-grant completion form upon completion of site visit
- The Community facilitator/Livelihood Specialist works with the Financial specialist to prepare a final financial report indicating total amount of funds received by sub-grants within 15 days of sub-grant completion
- The Community facilitator and Livelihood Specialist submits final financial report and sub-grant completion form to PIT
- National FiA finance officer verifies that funds accounted for by PIT are consistent with approved budget
- M&E officer enters sub-grant completion form into MIS/Spreadsheet and includes information in upcoming monitoring report

Suspension and Termination of Sub-grant activities:

- FiA may close a contract in exceptional circumstances when a condition of force majeure arises or if a material breach of contract takes place. Procedures and specific actions related to suspension or termination are included in the contract between the three parties
- If force majeure or material breach of contract arises, PIT assisted by the Community facilitator and Livelihood Specialist assess the situation and determine corrective action and a timeframe
- PIT consults Community Fisheries Committee and its members on proposed corrective action
- PIT oversees any amendments to the contract, implementation schedule or other sub-grant documents
- PIT completes sub-grant amendment form and submits it to M&E officer for entering it into Spreadsheet
- PIT monitors and reports on implementation of corrective actions
- If the situation is too severe or the corrective actions are ineffective, the specific sub-grant or individual may be suspended or terminated

## 5 Financial Management

### 5.1 Source of Funds

FiA received funding with the total amount of USD 11 million from the World Bank through the Ministry of Economy and Finance to implement Component 1 as part of M-IWRMP-Phase III. The Sub-Component 3.2 is one part of Component 1. This Sub-

component 3.2 is the grants for Livelihoods Enhancements under Part 1.3 (b) of the Project with the total amount of SDR 750,000 or equivalence to approximately USD 1,035,000 (Exchange rate USD 1 equal to SDR 1.38 at the time of the financing agreement). This amount is subject to change in the course of implementation due to exchange rate.

Livelihood sub-grants with a total amount of USD14,750 will be allocated to each community fishery (CFi). These sub-grants will be used to enhance the livelihoods of eligible and priority households that are members of the CFi. Sub-grants may be used towards fish raising and construction of fish ponds, concrete tanks or fish cages to farm (grow-out) juveniles (fingerlings) of non-native or indigenous species of fish that will be produced by a hatchery (Sub-component 1.3.1). Other eligible livelihood activities may include improvement in agricultural production using irrigation schemes, vegetable growing and livestock-raising. Handicraft as well as fish processing and improved storage facilities for agricultural produce are also possibilities.

#### Disbursement Category 2 of Livelihood grants

No	Category	Amount of Financing Allocated (SDR)	Amount of Financing Allocated (USD)	Percentage of Expenditures to be Financed (inclusive of taxes)
2	Livelihood sub-grants for Fisher Livelihood Enhancements under Subcomponent 1.3 (b).	750,000	1,035,000	100% of amount disbursed
	<b>Total amount</b>	<b>750,000</b>	<b>1,035,000</b>	

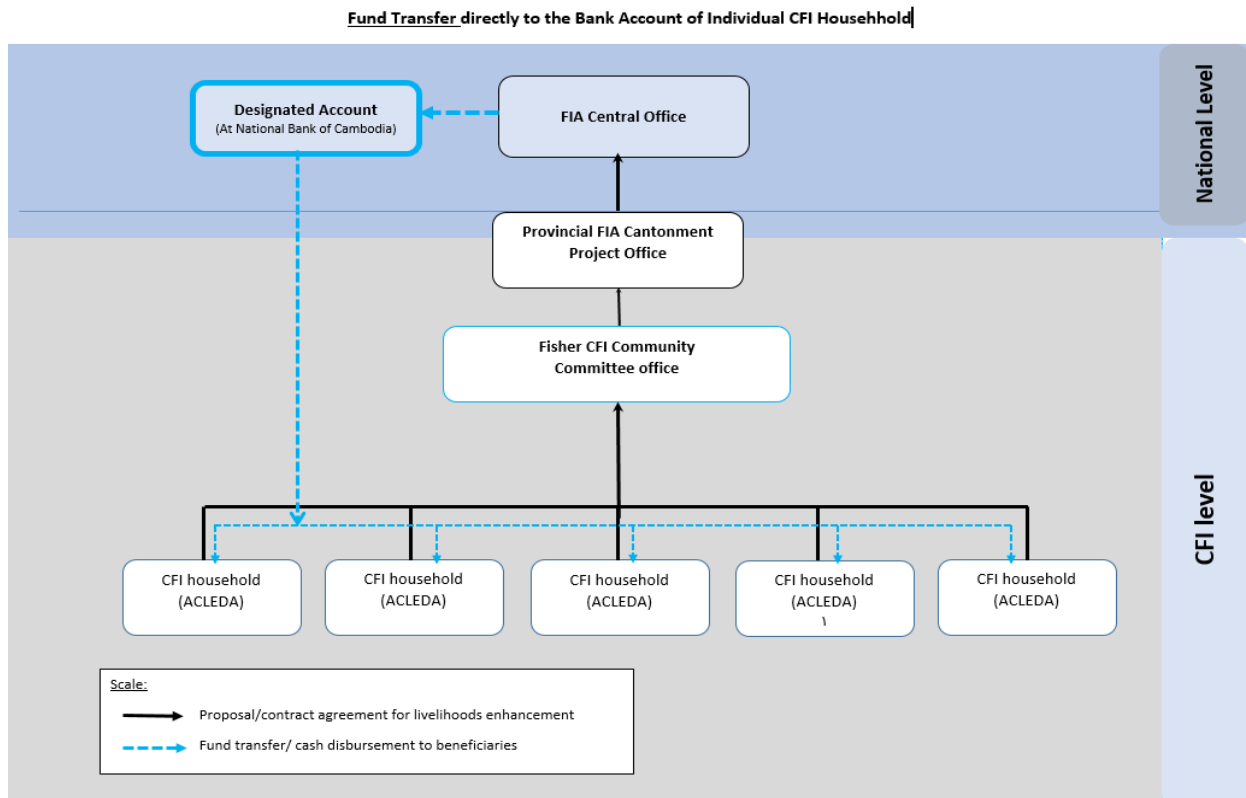
Exchange rate SDR 1 equal to US\$ 1.38 at the time of the financing agreement

## 5.2 Disbursement of sub-grants

Following the procedures described in Section 4 of these Guidelines, sub-grants will be transferred by the FiA from the National Bank of Cambodia directly by bank transfer to the ACLEDA Bank accounts of the household members selected to receive livelihood sub-grants.

There is no need to open a new bank account (see Section 4; Step 7 above) if the selected household members have an existing account or is an account holder at the ACLEDA Bank. This should be adequate for fund transfer. The use of ATM card for withdrawal the sub-grant, for cash transfer is not allowed since this is no reliable proof of cash is actually withdrew or fund has been received.

Selected HHs are entitled to receive only one livelihood grant (\$295 net) for the duration of the Project. Bank charges will be paid and accounted under IOC of the Component 1. See the fund flow diagram:



### 5.3 Disbursement, Accounting and Recording

Livelihood Sub-grants will be awarded for eligible and priority households according to the process described in Section 4. The recipient household members are expected to use these sub-grants to enhance their livelihood through income generation in their commune/village based on their choice of eligible livelihood activity.

**The adoption of the Guidance contained in this document will be a condition of: (i) the Livelihoods Sub-grant Agreement between the FiA and the household member recipient of the sub-grant; and (ii) the Livelihood Enhancement Agreement between the FiA and the CFC.**

#### 5.3.1 Sub-grant disbursement

All livelihood sub-grants will be transferred by the CMU directly to the ACLEDA Bank accounts of the household members selected to receive livelihood sub-grants in order to minimize leakages. Disbursement in cash (cash transactions) is not allowed.

Payments will be disbursed in one tranche following the procedures described in 4, Step 10 above. The CMU will transfer the tranche of the sub-grant upon receipt of the household member's signed 'Livelihood Sub-grant Agreement' with attached bank account details.

#### 5.3.2 Sub-grant monitoring and reporting

A record of all bank transfers will be maintained by the CMU, PIT and CFC. The PIT and the Consultant Team (CD facilitators and the Livelihood Specialist) must report to the

CMU the status of the funds received and withdrawn by the household members. This will ensure that there is no remaining fund balance in the bank account of the individual household members.

The CD facilitators and the livelihood specialists shall coordinate the CFC to check and verify the withdrawal slips of the individual household members.

Furthermore, a database of sub-grants approved will be developed and disclosed as public information in the IFReDI website of the Project. The database should include details of the beneficiaries (recipients of sub-grants), photographs of the individual household members, details of the CFi, details of livelihood activities, sub-grant disbursements, and indicators of sub-project progress and impact.

Livelihood sub-grants will be subject to review and verification by the external auditor to ensure that sub-grants reached the intended beneficiary and funds are used for intended purposes.

#### 5.4 Financial Control

Sub-grant disbursement to HH members of CFi is important for the implementation of livelihood enhancement. FM team of the CMU (FiA) at the National level must have a good planning of those three below control areas because it would affect the size of fund disbursements and cash flow needs at the project level. Financial control should consider measures to control:

1. Whether the grant proposals have been submitted in line with the criteria and schedule,
2. Whether the household members have opened bank accounts at the nearby ACLEDA bank branch and the bank account information are accurate and reliable, and
3. Whether fund disbursement for each province is in line with the approved AWPB and the volume of disbursements.

Certain situations might make it necessary to move forward some works, for example to anticipate the rainy season then livelihood activities might start earlier than planned. It means that most of the fund is absorbed by seasonal (raining season, dry season) demand by CFi. All disbursement should be approved by the RGC delegation.

#### 5.5 Records Filing System

All records of the livelihood sub-grant activities should be properly filed and retained at (a copy at the Provincial Cantonment of Kratie and Stung Treng, and original copies at the National FiA Office for review and audit purposes.

The FM Units of both the CMU and the PIT (National and provincial offices) shall be responsible for the filing system. **Two Separate folders** shall be maintained for **five years** after the completion of the livelihood grant activities. Each folder shall contain the following documents:

<b>1. Technical File Folder</b>	<b>2. Financial File Folder</b>
<ol style="list-style-type: none"> <li>1. Livelihood Enhancement Agreement (between FiA and the CFC)</li> <li>2. Minutes of Community Assemblies (first, second and third)</li> <li>3. Livelihood sub-grant Applications received from eligible CFi household members.</li> <li>4. Sub-grant Applications Evaluation Report prepared by the PITs, Project Consultants and CFC including minutes of associated meetings.</li> <li>5. Minutes of meetings held by the CMU to review and approve the Evaluation Report and to make recommendations for the PIT to follow.</li> <li>6. Livelihood Sub-grant Agreements (between the FiA and selected grant recipients).</li> <li>7. LE Activity Completion Forms</li> <li>8. Agriculture, livestock and other training certificates.</li> <li>9. Livelihood Sub-grant Completion Reports.</li> <li>10. GRM forms submitted by CFi members.</li> </ol>	<ol style="list-style-type: none"> <li>1. ACLEDA Bank Account Details &amp; Documents</li> <li>2. Cheque payment</li> <li>3. Money Order Transfer</li> <li>4. List of Beneficiaries with Bank account information</li> <li>5. Bank charges</li> <li>6. ACLEDA Withdrawal Slip</li> <li>7. Payment Vouchers with attached supporting documents.</li> </ol>

## 6 Pre-Conditions and Limitations

Pre-requisite for livelihood grants:

1. All CFCs Members must receive adequate training, understand and accept their roles and responsibilities and sign a Livelihoods Enhancement Agreement with the FiA.
2. All CFCs Members receive adequate training on selection and prioritization criteria for their household members at the satisfaction of the FiA.
3. All CFCs Members receive adequate trainings on grievance and complaint handing at the satisfaction of the FiA.
4. Payment of sub-grants must be made directly to the bank account of each household members by bank transfer (opened bank account at nearby ACLEDA bank).
5. CFCs are not allowed to deduct or collect all or part of sub-grants awarded to their household members.
6. Risks of loss, leakage, fraud, inaccuracy, or mistake should be identified at all CFIs levels, carefully assessed, and measures put in place to eliminate or minimize them.
7. Selection of sub-grant recipients is not subject to third party control or influence. The selection of household members must adhere to the selection criteria and pre-requisite laid out in these guidelines.

## 7 Community Disclosure

The CFCs is representative of the Fisher community, which were elected on the basic criteria of honesty and commitment. They are not paid, so they do not make a business out of performing their service. These elected representatives are responsible to help

facilitate and oversee the implementation of the sub-grant for livelihoods. In support of their monitoring, they have access to a simple management information system (MIS) in the form of Excel Spreadsheet to track all Livelihood sub-grant Agreements and payments.

**Community Involvement.** Successful internal control and management of livelihood sub-grant activities requires that beneficiaries and other stakeholders be kept well informed always and at all levels about their entitlements, rights, obligations, and the project's costs and benefits. This information should be provided in a manner understandable to all interested parties. Where any of the beneficiaries are illiterate, it may even have to be presented in pictures or other appropriate media. It is also good practice that summaries of local project expenditures and procurement information be posted in a public Notice Board at the CFIs (for example, outside of a village hall or meeting place), since this literally places the information in the public domain. The CFI's Financial report related to livelihood grants should be posted to the Community Bulletin Board on regular basis.

## 8 Sub-grant Monitoring Mechanism and Auditing

### 8.1 On-site Monitoring Supports

Monitoring support visits are required to augment other controls for ensuring that grants reached the intended beneficiaries and that the funds are used for intended purpose.

**The monitoring agent will conduct post review for livelihood grants.** In order to maintain fiduciary oversight, post review shall consist of reviewing technical and financial reports to be carried out by the FiA:

- **Technical review** – will be carried out by the FiA technical team on regular basis
- **Financial review** – will be carried out by finance team of FiA on periodic basis to ensure that livelihood sub-grants reached the target beneficiaries. Any errors or mistakes should be identified and carefully assessed, and measures put in place to eliminate or minimize them.

### 8.2 Internal Audit

Livelihood sub-grant activities are required to be audited by the internal auditor of the M-IWRMP-Phase III – C1 two-times per year.

The scope of the internal audit will review compliance with: (i) these Guidelines; (ii) the Livelihoods Enhancement Agreement between the FiA and CFC; (iii) the Livelihoods sub-grant agreement between the FiA and each sub-grant recipient household; and (iv) sub-grant disbursement, monitoring and accounting. This audit is an integral part of the internal control system for Component 1.

The scope of the audit will also include the site visit and physical inspection of livelihood sub-grant activities with a randomly selected sample size of at least 20% of sub-grant recipients.

A simple, internal audit “ex-post audit of livelihood sub-grants to confirm that funds have been spent on the intended purpose and that the community has received value for



money can be a valuable addition to the quality and internal controls. This (internal audit) can be one of the most effective ways of minimizing risk of fraud and corruption or of detecting poor practices that enable fraud and corruption to occur. This internal audit is often linked to the overall monitoring and evaluation of the livelihood sub-grant activities.

### 8.3 External Audit

An independent audit firm will be hired by the Ministry of Economy and Finance which is acceptable to the World Bank. The firm will conduct annually auditing on livelihoods sub-grant activity and the project financial statement. The audit of the sub-grants is part of the annual project audit of the M-IWRMP-Phase III. The scope of the audit will also include the site visit and physical inspection of livelihood sub-grant activities with a randomly selected sample size of at least 10% of the sub-grant recipients (Agreements).

### 8.4 Refund for Ineligible Expenditures

Measures to reduce the risk toward ineligible expenditures should be taken at the CFI Community level. Training/ raising awareness of the ineligibility should be provided to the CFCs. FiA should take proactive action to help the community effectively, for example: risks of loss, leakage, fraud, inaccuracy, or mistake should be identified at all CFIs levels, carefully assessed, and measures put in place to eliminate or minimize them.

If any payment out of the Bank accounts from the household members or if sub-grants were paid not for intended purposes and were not justified by the evidence furnished to the Bank or was made for an ineligible expenditure, the Bank may, at its discretion, require the borrower to return the payments.

## 9 World Bank Anti-Corruption Guidelines

It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans and grants), bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement processing and handling of the project funds under the Bank-financed contracts.<sup>1</sup>

In pursuance of this policy, the Bank defines, for the purposes of this provision, the terms set forth below as follows:

- (i) "Corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;<sup>2</sup>

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<sup>1</sup> In this context, any action to influence the procurement process or contract execution for undue advantage is improper.

<sup>2</sup> For the purpose of this sub-paragraph, "another party" refers to a public official acting in relation to the procurement process or contract execution. In this context, "public official" includes World Bank staff and employees of other organizations taking or

- (ii) "Fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;<sup>3</sup>
  - (iii) "Collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;<sup>4</sup>
  - (iv) "Coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;<sup>5</sup>
  - (v) "Obstructive practice" is: deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under corruption and fraud investigation (see below item #23).
- (a) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
  - (b) will declare mis-procurement and cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
  - (c) will sanction a firm or individual, at any time, in accordance with the prevailing Bank's sanctions procedures,<sup>6</sup> including by publicly declaring

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reviewing procurement decisions.

<sup>3</sup> For the purpose of this sub-paragraph, "party" refers to a public official; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution.

<sup>4</sup> For the purpose of this sub-paragraph, "parties" refers to participants in the procurement process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish bid prices at artificial, non-competitive levels, or are privy to each other's bid prices or other conditions.

<sup>5</sup> For the purpose of this sub-paragraph, "party" refers to a participant in the procurement process or contract execution.

<sup>6</sup> A firm or individual may be declared ineligible to be awarded a Bank financed contract upon: (i) completion of the Bank's sanctions proceedings as per its sanctions procedures, including, inter alia, cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks, and through the application the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption; and (ii) as a result of temporary suspension or early

- such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated<sup>7</sup>;
- (d) will require that a clause be included in bidding documents and in contracts financed by a Bank loan, requiring bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, to permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank.”

## 10 Critical Risks and Possible Controversial Aspects

The nature of this project is a type of Community Driven Development (CDD), and the project recognizes major risks in working with the rural Fisheries Communities in Kratie and Stung Treng. But, also believes that given the need, opportunity, and capacity in the province, there are significant benefits from engagement in these two provinces. Some of the major risks and mitigating measures include:

Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
<b>To Project Development Objective (PDO)</b>			
Economic risks, such as vulnerability to external shocks, slowdown in economic growth, as well as susceptibility to natural disasters in the medium term could affect the PDO.	S	Cambodia's economy has been growing at high rates, but it remains susceptible to shocks, especially at the level of value chains that the project is attempting to access (e.g. tourism). These provinces' economy could be affected by fall in growth rates and/or external shocks, which could have an impact on achieving the PDO. Recent economic trends (see EIU 2010) suggest however that the economy is recovering and that both the tourism and agricultural sectors are rebounding, so the medium- term outlook on this risk is moderate. Nonetheless, the project will use Component 3C "Special Initiatives" to identify mitigation measures which enable the project to adapt to natural calamities and promote insurance products for the poor to cover other uncertain events.	M
Community Fisheries- sub-grants susceptible to elite capture and political interference (e.g.	H	<ul style="list-style-type: none"> <li>- The project would use the participatory social assessment process for targeting HH.</li> <li>- Simple principles for membership of CFi formation – e.g. voluntary membership, group-determined active members, etc. – will</li> </ul>	S

temporary suspension in connection with an ongoing sanctions proceeding. See footnote 14 and paragraph 8 of Appendix 1 of these Guidelines.

<sup>7</sup> A nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which has either been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
from local authorities).		<p>be set up to help ensure that groups are homogenous and less prone to capture.</p> <ul style="list-style-type: none"> <li>- The efforts will be made to avoid the overlap of the project launch with the CC elections. Strong communication campaign will also be aimed at reducing the risks of the project politicization in the public.</li> <li>- A <i>village social capital assessment tool</i> will be developed during the first phase preparation that will be used to analyze local political economy risks based on simple qualitative indicators.</li> <li>- Household members' ownership and commitment to implement the livelihood activities.</li> <li>- Household members' willingness to provide own contribution to sustain livelihood activities.</li> <li>- The project would institute participatory, and transparent <i>social accountability systems</i>, and strong monitoring systems to develop early warning indicators for elite capture of institutions and benefits.</li> <li>- The project would use a comprehensive <i>complaint handling mechanism</i> (phone, web, and person based) for reporting and responding to grievances.</li> <li>- Livelihood Guidelines will include principles for selection and change of office bearers and latter would be trained on good governance principles.</li> <li>- The Village Chief and Commune Chief will be given a prominent role in terms of certifying and monitoring the functioning of livelihood activities.</li> <li>- The Community facilitators and Livelihood Specialist would be housed in each provincial FiA in order to foster greater linkage with CFI Communities.</li> </ul>	

Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
Weak technical capacity at the provincial level and limited experience in implementing the kind of pro-poor yet market-oriented livelihoods strategy envisaged in the project.	H	<ul style="list-style-type: none"> <li>- The project will work with competent National and Foreign Consultants in the field of Livelihood Development and build on existing successes already in the field.</li> <li>- The national and foreign consultants help expand the institutional development process.</li> <li>- Comprehensive capacity building and sourcing in expert support is part of the design.</li> <li>- Exchange visits and best practice livelihoods programs (e.g. in India, Bangladesh, and Sri Lanka) will be facilitated.</li> </ul>	S
Leakage of funds and poor accountability at different levels coupled with dispersed implementation leads to enhanced governance risks.	H	<ul style="list-style-type: none"> <li>- <u>At all levels</u>: Specific accountability measures and grievance redress mechanisms (phone, web, and person based) would be instituted by the PIT/PFiA and FiA, and at the village level, with support of the Community Facilitator and Livelihood Specialist. These are part of the <i>Good Governance Framework (GGF)</i>.</li> <li>- <u>At all levels</u>: A dedicated project web site will include updated information for disclosure.</li> <li>- <u>At the national level</u>: Disbursement procedures shall be laid down so that all sub-grants are transferred directly to household members in order to minimize leakages.</li> </ul>	S
Poor coordination among donor projects and operation of different livelihood models in parallel can lead to confusion and strain capacity	H	<ul style="list-style-type: none"> <li>- The task team, jointly with the government team, has met with all key stakeholders and discussed potential areas of cooperation as well as details of coordination in order to avoid overlaps in operations in the province. The key players that the project will continue to coordinate with are the ADB, IFAD and GIZ.</li> <li>- Regular consultations with other donors and agencies to ensure complementarity in approaches and avoid overlap will be undertaken during implementation as well.</li> <li>- Splitting of geographic coverage where possible to avoid same communities getting similar assistance from different sources has and will continue to be a key mitigation strategy.</li> <li>- The national and provincial project implementation team guiding the project will</li> </ul>	S

Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
		<p>meet regularly to coordinate with other donor programs.</p> <ul style="list-style-type: none"> <li>- Finally, piloting of joint activities and linked programs will be considered at the mid-term review (MTR) stage.</li> </ul>	
<b>To Sub- Component Results</b>			
Ineffective social mobilization so that fisher household members are excluded from the project	S	<ul style="list-style-type: none"> <li>- Communication strategy will aim to ensure that terms and processes used for social mobilization are clearly distinct from those of Khmer Rouge regime.</li> <li>- Selection criteria and pre-requisition for Fisher house hold members must be announced and disseminated to all household members.</li> <li>- Mobilization will mostly focus on women, which distinguishes from earlier collectivization attempts.</li> <li>- Management Information systems (MIS)/Spreadsheet would be built so as to provide early warning signals, so action can be taken against exclusion.</li> <li>- As project implementation is being done in a phased manner, lessons from previous efforts at mobilization shall be brought in to improve the process further.</li> </ul>	M
Market players may not respond to the needs of the poor and therefore the links to value chains envisaged may not emerge.	H	<ul style="list-style-type: none"> <li>- The project will work on productivity enhancement and cost competitiveness of the small producers through aggregation.</li> <li>- Partnerships with large buyers, processors and retailers would be developed early on and reviewed at MTR.</li> </ul>	M
<b>FM Capacity Assessment – Operational level</b>			
Weak financial management (FM) capacity at the project and community level given a large number of beneficiary groups with no exposure to handling resources.	H	<ul style="list-style-type: none"> <li>- The National Project Implementation Team will contract a professionally qualified person as FM consultants for the National and the sub-national levels to draw up the FM improvement plan.</li> <li>- A supplementary FM manual will be also developed to guide the project FM staff.</li> <li>- An internal auditor will be hired (in addition to the external audit firm) to conduct the regular reviews of project's internal controls.</li> <li>- A set of readiness filters for Fisher Households would be included in the <i>guidelines for implementation of sub-grants for livelihood enhancements</i>, which would</li> </ul>	S

Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
		<p>need to be achieved before they access the sub grants.</p> <ul style="list-style-type: none"> <li>- At the community level, the project design would make significant investment in capacity building including community participatory process, sub-grant proposal, financial record, banking, and agriculture extension.</li> <li>- The PIT would have designated community facilitator and livelihood teams with specific responsibilities in monitoring quality and accountability arrangements and providing support to the CFC.</li> </ul>	
Channeling of fund to household members. Risk of leakage of funds, risk of informal deductible of funds.	H	<ul style="list-style-type: none"> <li>- At the Community level. Each household members are required to open a bank account at the nearby ACLEDA branch.</li> <li>- <u>At the national level</u>: Disbursement procedures shall be laid down so that all sub-grant funds are transferred directly to the household members in order to minimize leakages of funds.</li> <li>- Internal and external auditors will review the (money order transfer) and the transfer list to ensure the money are received by the intended beneficiaries through field interview and check audit trials.</li> <li>- FiA FM team shall conduct post review transactions to ensure sub funds reached the target beneficiaries.</li> </ul>	S
Risk of design failure and lead to unsuccessful livelihood sub-grant components due to little time spend on the project and government staff are busy with core government works	H	<ul style="list-style-type: none"> <li>- Community facilitators and Livelihood Specialist has dedicated and commitment to support Community Fisheries Committees.</li> <li>- National and Foreign Consultants specialized in Livelihood will be hired to provide support.</li> <li>- FiA will mobilize Government CD experts and Government livelihood experts to provide technical support throughout the project.</li> <li>- All program team engaged with Livelihoods will receive adequate training on livelihoods, disbursement of funds, and opening bank accounts for household members at the ACLEDA Bank.</li> </ul>	S
Risk that sub grant amount of \$295 per household is not	S	<ul style="list-style-type: none"> <li>- Eligible CFI's household open their bank account at the nearby ACLEDA bank prior to</li> </ul>	M

Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
received in full amount as intended.		<p>disbursement of fund directly to their bank accounts.</p> <ul style="list-style-type: none"> <li>- Internal auditor and external auditors will interview the beneficiaries and review the money transfer order and compare against the individual bank account.</li> </ul>	
Risk of inadequate services of Financial institutions (MFI, commercial banks, and NGOs) in rural areas	S	<ul style="list-style-type: none"> <li>- Only the ACLEDA Bank has service coverage throughout Kratie and Stung Treng. The ACLEDA bank branch offices are located in the provincial town, the district towns, and commune's city town. The Bank services are reliable and at the satisfaction of the public.</li> <li>- Opening a bank account at the ACLEDA bank branches will be assisted by FiA and MEF with free of charge and there is no initial deposit requirement.</li> <li>- ACLEDA bank Branch agent will visit the CFIs for the purpose of opening the Bank accounts as part of their marketing to absorb more clients.</li> <li>- MFIs and NGOs did not have a full-service coverage in rural areas.</li> <li>- Engagement of MFIs and NGOs in the sub grants was not envisaged from the project design and tend to be high costs.</li> </ul>	M
Risk of geographical area that cannot access due to remote	S	<ul style="list-style-type: none"> <li>- There is no cost to open a bank account for household members. ACLEDA bank Branch agent will visit the CFIs for the purpose of opening the Bank accounts as part of their marketing to maximize clients.</li> </ul>	M
Risk of deductible amount from grant of USD295 from household members due to administration of CFIs executive head	H	<ul style="list-style-type: none"> <li>- CFCs head and members are working voluntarily to serve their community as part of their tasks. No fee or salary will be provided under this sub grant program.</li> <li>- Administrative costs (meetings, paper works, photocopy) will be covered by Component 1. There should be no charge for fees or deduction from the household members.</li> <li>- Informal deduction (informal fees) from household members is ineligible expenses, FiA will refund such payments to the World Bank if such cases incurred.</li> </ul>	S
<b>Grant Program Failure (individual Household's Failure to Honor its Commitment)</b>			
Risk of misjudge selection criteria in favor to certain group	S	<ul style="list-style-type: none"> <li>- Selection criteria were development by FiA in consultation with Fisher Executive head and its members to be approved by the WB</li> </ul>	M



Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
		<ul style="list-style-type: none"> <li>- Eligible household members must meet selection criteria, exceptional case can be approved by Component Director</li> <li>- Provide grant to uncommitted household members shall be minimized</li> </ul>	
Risk of sub-grant failure by each household members	H	<ul style="list-style-type: none"> <li>- The CFC will sign a Livelihoods Enhancement Agreement with the FiA agreeing to support the Sub-Activity.</li> <li>- Eligible households will sign a Livelihood Sub-grant Agreement with the FiA.</li> <li>- Terms and condition will be spelt out in the Livelihood sub-grant agreements.</li> <li>- Household members committed for sub-project activities for the first year and will abandon for the second year shall be minimized.</li> </ul>	S
<b>Overall Risk Rating</b>			<b>H</b>

*Rating:* N- Negligible Risk, L-Low Risk, M- Medium Risk, S-Substantial Risk, and H-High Risk

**Action plan to address the mitigating measures have been incorporated in the provision of this guidelines in the field of staff training/ capacity building, internal audit, external audit, and the ex-post review carried out by FiA fiduciary staff.**

## 11 Gender Mainstreaming

The main purpose of gender mainstreaming in the Livelihood Guidelines is to ensure that men, women and women headed of households and ethnic minorities enjoy equitable benefits from livelihood programs.

According to many studies, more women are more illiteracy than men in CFi. About 70% of the population who cannot read and write is women. Women are also busy in homework, including finding food for families, caring for children and husband, cooking for families, especially for husbands. The community's view is that working at home is a woman's task, not a man's task. So, sometimes domestic violence occurs because women cannot prepare food for their husbands on time. Since women are often less literate than men, their contribution is less valuable. Women with limited experience in group management and public speaking, and social and cultural norms often support men's decisions in public. Women have little access to media (radio and information) and general information. Some women have not been invited to participate in technical meeting including, fishery management plan, other agricultural production technique as some of community's view is a men's task.

To address those issues following are guidance on how to mainstreaming gender in the livelihood program:

- The livelihood activities for women and female headed of households should be consulted and discussed with them separately to find what they need and what kind of livelihood activities they can do (such as raising chickens and pigs) where there is not far from their home and they are able to do.
- Regularly monitor the livelihoods of men and women in order to ensure that they can apply and improve their livelihoods.
- Training on livelihood should include many pictures with less word in order to make sure that men, especially women and ethnic minority well understand and they can follow it and apply to the livelihood activities.
- Target 7% FHH involve in livelihood activities
- Target 40% women involve in livelihood activities
- Ensure at least 40% of men participate in gender's role in livelihood and household responsibilities.
- Service providers should be both men and women ensuring that they, especially women in CFi can easy communicate face to face and share their issues and needs with those women.
- Provide gender role in livelihood to both husbands and wives to make men and women share domestic work responsibilities lead women can earn money through the livelihood program in contributing women's empowerment in CFi. As well in CFC.
- Ensure at least 40% of men participate in gender's role in livelihood and household responsibilities.
- Ensure that target men, women and female headed households will be invited to participate in technical training, dissemination or village meetings.
- Provide training on how to produce their agricultural production with high yield and standard and find market for their production yield or agricultural production as most of CFi member, especially women in CFi and CFC complain that there is lack of market for agricultural production and low yield lead they cannot get profit.
- On the job training on how to raise livestock and farm production with good quality should be provided to both men and women and ethnic minorities ensuring that they well understand, especially women are the most illiterate.
- Need more follow up and coaching to men and women and female headed of households through village meeting ensuring that they well understand about technique of how to raise pig, chicken and grow crop which can get profit.

## 12 Environmental and Social Safeguards

### 12.1 Overall Project Safeguards

Safeguards related policies and instruments for M-IWRM 3: The M-IWRMP-3 is categorized B, and triggered some Bank's policies: OP/BP 4.01 (Environmental Assessment); OP/BP 4.04 (Natural Habitats); OP/BP 4.11 (Physical Cultural Resources); OP/BP 4.10 (Indigenous People); OP/BP 4.12 (Resettlement Policies); OP/BP 7.50 (Projects on International Waterways). The description of the policy requirement is available in the ESMF, which provides guidance on mitigation measures for small scale civil works; screening for sub-project impacts; Grievance Redress Mechanism (GRM); further development of specific instruments where needed; free, prior and informed consultation, role and responsibility of stakeholders; and monitoring and reporting.

To ensure that communities are fully aware of the potential risks and impacts from the project, the basic training on ESMP, ECOPs and good construction practices, is required. This training could be carried as part of the livelihood related training. FiA, with the support of national social and environmental specialists, will develop simple and practical training documents (awareness raising) and will consult with Bank before the trainings proceed.

Key safeguards issues and actions to be undertaken to mitigate adverse impacts during the livelihood project implementation are summarized below:

- ✓ Ensure that the livelihood grant applications are reviewed and cleared by the Environmental and Social Safeguards Consultants, to ensure they comply with the requirements of the project safeguards frameworks. In the case of livelihood activities, this will include ensuring that livelihood activities to be financed do not
  - Require land acquisition (either in the form of donation or purchase) or the displacement of another person's use of land
  - Result in damage to indigenous people land, culture, or natural resources
  - Result in damage to natural habitats
- ✓ Regularly conduct monitoring and evaluation of project safeguards compliance;
- ✓ Engage local authorities (LAs) and communities in monitoring program e.g. participate in the process of sub-projects preparation and ensure that their views are taken into account, assist monitor contractor's activities in terms of safeguards procedures and policies compliance.
- ✓ Capacity building and training of local authorities and communities on safeguard principles and instruments in order to build understand the social risks attached to different investments and the appropriate social mitigating measures that can be taken to minimize impacts on the target community and neighboring areas. In addition, they would require training to equip them with skills they can use to appraise sub-projects on key social criteria and ensure that they are socially sound based on the ESMF that encourages in preparing strong monitoring and management plans.
- ✓ no sub-projects that require land acquisition or that will be financed compensation for temporary land use will be allowed under MIWRM-3;
- ✓ Develop a mitigation measure for conflict resolution through close consultation with stakeholders and placed within project processes, inherently community-based and collectively managed, not precluding the involvement of third-party or external mediators.
- ✓ Using existing local conflict management mechanisms, that most likely led by senior or elderly respected persons, or leaders of IP/ethnic minority groups; as well as project Grievance Redress Mechanisms;
- ✓ Carry out social assessment process through free, prior, and informed consultations example: conducted a series of meetings, including separate group meetings (ethnic village chiefs, ethnic men, and ethnic women) (see guidelines on Small Scale Infrastructure).
- ✓ Conduct screening through application of checklist in ESMF
- ✓ Minimize/avoid damage to natural habitats and physical cultural resources, as outlined in the ESMF

Guide and monitor the subproject owner in the routine supervision of contractor performance in line with the environmental covenants, including reporting and maintaining close coordination with local authorities and communities

## **Annexes:**

- Annex 1 Livelihood Enhancement Support Agreement
- Annex 2 Livelihood Sub-grant Application Form
- Annex 3 Sub-grant Applications Evaluation Report for the FiA
- Annex 4 Livelihood Sub-grant Agreement (FiA-HH)
- Annex 5 LE Activity Completion Form
- Annex 6 Livelihood Sub-Grant Implementation Completion Form
- Annex 7 Grievance Redress and Complaint Form
- Annex 8 Operating cost for CFC
- Annex 9 Guidance for Sustainable Livelihoods

Annex 1 Livelihood Enhancement Support Agreement

**Livelihood Enhancement Support Agreement**

Between

**The Fisheries Administration (FiA)**

And

---

[insert name of the Community Fisheries Committee (CFC)]

For

**Livelihood Enhancements Financed by the M-IWRM-III Project**

**CFi Details:**

Name \_\_\_\_\_, Village \_\_\_\_\_, Commune \_\_\_\_\_,

District \_\_\_\_\_, Province \_\_\_\_\_

## 1. MAIN PARTIES TO THE AGREEMENT

- 1.1 The Fisheries Administration (FiA) represented by its Project Director, officially based at No. 186, Norodom Boulevard, Sangkat Tonle Basac, Khan Chamkar Mon, Phnom Penh, Cambodia; and
- 1.2 The-----**(insert name of CFCs/CFi)**, will be represented by the CFCs consists of members named below for the purpose of this Agreement:

1. Ms/Mr. \_\_\_\_\_, Head of the CFCs
2. Ms/Mr. \_\_\_\_\_, Deputy Head of CFCs
3. Ms/Mr. \_\_\_\_\_, Member
4. Ms/Mr. \_\_\_\_\_, Member
5. Ms/Mr. \_\_\_\_\_, Member

## 2. PURPOSES OF THE AGREEMENT

This agreement sets out the rights and obligations of the Fisheries Administration (FiA) and the Community Fisheries Community representing its CFi named above to implement Livelihood Enhancement Activities under the M-IWRM-III Project in accordance with the provisions of this agreement and documents attached hereto.

## 3. RIGHTS AND OBLIGATIONS OF THE PARTIES

### 3.1 Fisheries Administration (FiA)

1. Review and approve Livelihood Sub-grant applications and recommendations contained in the 'Sub-grant Applications Evaluation Report' submitted for each CFi by the PIT and the Project Consultants, and endorsed by the CFC.
2. Finance livelihood sub-grants awarded to eligible and priority household members of the CFi.
3. Reimburse the CFC for reasonable operating costs incurred to meet their roles and responsibilities described above on receipt of invoices submitted up to a maximum of \$50 per month during the life of the Project and CFC task monitoring sheet is required and completed by CFC monthly. .
4. Shall provide necessary support and training to the CFC to enable it to meet its roles and responsibilities described in Section 2.1 of this Agreement.
5. Shall provide the necessary technical support and capacity building to eligible and priority households to effectively implement their livelihood enhancement activities. This may cover aquaculture, vegetable, livestock, mushroom and other alternative livelihood activities to increase productivity and income.
6. Shall have the final responsibility for suspension or cancellation of the agreement, if deemed necessary.
7. Shall have the right to supervise the execution of the agreement from the start till completion, and to inspect the related activity anytime.
8. Shall stop any activity that might affect environment and social aspects.

### 3.2 The Community Fisheries Committees (CFCs)

1. Shall be responsible for supporting the implementing Livelihood sub-projects of eligible CFi members in accordance with the *Livelihood Enhancement Guidelines*.
2. Help announce, organize, facilitate and chair the first 'Orientation Meeting'.
3. Help CFi member households (HHs) prepare their Livelihood Sub-grant Application Form.
4. Help the PIT to review Livelihood Sub-grant Applications to screen for eligible households and LE activities and to identify priority households to receive sub-grants.
5. Endorse the 'results and recommendations of the 'Sub-grant Applications Evaluation Report'.
6. Help announce, organize, facilitate and chair the Sub-grant Award Announcement Meeting.
7. Post regular community notices in public places reporting grant awards, livelihood enhancement activities and outcomes.
8. Help monitor the disbursement of sub-grants.
9. Provide general support to the PIT to administer, support and monitor Livelihood Enhancement (LE) projects.
10. Submit pay-slips to FiA to claim reasonable operating costs (e.g. fuel, travel, stationary etc.) incurred by CFC in meeting their roles and responsibilities described above up to a maximum of \$50 per month during the life of the Project.
11. Shall permit, the World Bank and/or persons appointed by the World Bank to inspect the Site and/or all accounts and records relating to the performance of sub-grants and to have such accounts and records audited by auditors appointed by the World Bank and/or FiA.
12. Shall ascertain and conform in all respects with the provisions of laws, rules and regulations of the Royal Government of Cambodia, which may be applicable to this Agreement. These will include promotion of social and environmental safeguards.

### 4. AGREEMENT TERMINATION

1. This Agreement may be canceled based on the following conditions:
  - a. Breach of obligation by any of the parties to this agreement.
  - b. If at any time, it is determined that any party of the agreement has engaged in any corrupt or fraudulent, coercive, collusive, or obstructive practices.
2. In the event that the FiA decides to end this agreement, it may request the CFC to rectify mistakes made by the CFC and/or CFi household member within a given period of time.

### 5. AUTHORIZED SIGNATORIES

Any request or report directed to any of the parties to this agreement must be signed for only by the designated representatives of both parties.



## 6. AGREEMENT DURATION

This agreement will be remained effective from the date of signing to ..... (DD/MM/YYYY).

## 7. SETTLEMENT OF DISPUTES

Any conflicts or disputes arising out of or in connection with the interpretation or implementation of this agreement, which cannot be settled amicably by the parties, shall be decided through judicial proceedings in accordance with the Laws of Kingdom of Cambodia.

## 8. AGREEMENT EFFECTIVENESS

This agreement shall be effective from the date of signature entered into upon by all concerned parties.

Signed on this date \_\_\_\_/\_\_\_\_/\_\_\_\_

For FiA:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Component Director

For the Community Fisheries Committee:

1. Title: Head of CFCs \_\_\_\_\_

Name and signature: \_\_\_\_\_

2. Title: Deputy Head of CFCs \_\_\_\_\_

Name and signature: \_\_\_\_\_

Title: \_\_\_\_\_

Name and signature: \_\_\_\_\_

3. Title: \_\_\_\_\_

Name and signature: \_\_\_\_\_

4. Title: \_\_\_\_\_

Name and signature: \_\_\_\_\_

5. Title: \_\_\_\_\_

Name and signature: \_\_\_\_\_

## Livelihood Sub-grant Application Form

This form should be completed by the household applying for a Livelihood Enhancement (LE) grant. Section (c) and (d) should be completed with the help of the Project's Livelihood Specialist and/or the Community Facilitator.

### (a) Details of Applicant Household:

Name of household member applying for LE grant: \_\_\_\_\_

Household #: \_\_\_\_\_

Commune Name: \_\_\_\_\_

Village Name: \_\_\_\_\_

Province Name: \_\_\_\_\_

### (b) Household Eligibility:

- 1) Is your household registered with the CFi? Y/N
- 2) Does the HH obtain more than 50% of its total household income from fishing? Y/N?
- 3) Did household members participate in First Community Assembly to become familiar with project? Y/N?
- 4) Does your HH have the assets/equipment/land to successfully undertake the proposed livelihood activity? (Y/N).

Provide details here.

### (c) Livelihood Proposal Description:

- 1) Please state for which Livelihood Enhancement Activity the grant is required. Eligible activities are listed in Table 1 below.

- 2) Description of proposed Livelihoods Enhancement activity.

Provide details here. Add extra pages if necessary.

### 3) Costs

Please provide an estimate of the total cost of establishing the proposed LE activity.  
Please provide a breakdown if possible.

Provide details here. Add extra pages if necessary.

### 4) Workplan and Requested Sub-Grant Disbursement Schedule.

Table 1. List of eligible Livelihood Enhancement Activities.

Provide details here. Add extra pages if necessary

No.	Livelihood Enhancement Activity
1	Fish pond and fish raising
2	Concrete tanks or fish cages and fish raising
3	Fish farm
4	Irrigation schemes
5	Vegetable growing
6	Livestock raising
7	Handicraft
8	Fish processing
9	Storage of agricultural products
10	Mushroom farm
11	Frog farm
12	Other livelihoods activities (with approval of the PIT)

### (c) Assessment of capacity of applicant HH to undertake livelihood activity.

**Note:** This Section of the form is to be completed by the PIT Livelihood Specialist and/or the Community Facilitator based upon a rapid assessment to assess the capacity of the applicant household to undertake the proposed livelihood activity.

<b>Capacity Dimension</b>	<b>Scope of Assessment</b>	<b>Score (1-5). 1-low; 5-high.</b>
Social capacity	How compatible is the proposal with the needs and aspirations, existing work ethic and livelihood strategies, organization, economic and social structure, gender differences, and culture of the household?	
Economic capacity	Score the economic viability of the proposal accounting for the level of investment, operating costs, and financial resources of household to contribute to livelihood, the ability to market the product, and access to the value chain.	
Technical capacity	Score the technical capacity of the HH to undertake the LE activity.	
<b>Total Score</b>		

**(d) Information to prioritise HH for sub-grant support:**

**Note:** This Section of the form is to be completed by the PIT Livelihood Specialist and/or the Community Facilitator. (Max score =13; Min score =1).

Question	Score
1. Is the HH headed by a woman? If yes, score 1, if no, score 0.	
2. Does the HH belong to an Ethnic Group or minority household? If yes, score 1, if no, score 0.	
3. Is the HH classified as poor? If yes, score 1, if no, score 0.	
4. HH Capacity Total Score from Section (c). Divide by 3.	
5. Will the HH be negatively impacted by the Fisheries Management Plan? If yes, score 5, if no, score 0. Please explain below.	
<b>Total Score</b>	

If the HH will be negatively impacted by the Fisheries Management Plan, please provide further explanation below.

Provide details here.

**Signatures**

Household Applicant Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

PIT Livelihood Specialist Name:\_\_\_\_\_

Signature:\_\_\_\_\_

Date:\_\_\_\_\_

Community Facilitator Name:\_\_\_\_\_

Signature:\_\_\_\_\_

Date:\_\_\_\_\_

CFC Chair Name:\_\_\_\_\_

Signature:\_\_\_\_\_

Date:\_\_\_\_\_

### Annex 3 Sub-grant Applications Evaluation Report for the FiA

The PIT, Project Consultants and CFC should prepare a report for approval by the CMU (FiA) containing the following contents:

1. Details of the CFi and CFC
2. Sub-grant applications evaluation activities including persons responsible, meetings held and meeting participants.
3. Results of the evaluation activities i.e. screening for eligible applicants and projects, and priority ranking of grant applicants.
4. Recommendations – A list of HH members (applicants) to be awarded a Livelihood sub-grant (grant recipients).
5. Summary of livelihood sub-projects and sub-grant amounts awarded to the CFi.

Attachments:

6. Copies of the Applicants Livelihood Sub-grant Applications.
7. Minutes of the First Assembly Meeting including list of participants.
8. Minutes of meetings held to screen and evaluate Livelihood sub-grant applications.

**Livelihood Sub-grant Agreement**

between

**The Fisheries Administration (FiA)**

And

.....  
[insert name of Livelihoods sub-grant recipient]

For

**Livelihood Enhancements Financed by the M-IWRM-III Project**

**CFi Details:**

Name \_\_\_\_\_, Village \_\_\_\_\_, Commune \_\_\_\_\_,

District \_\_\_\_\_, Province \_\_\_\_\_

## 1. MAIN PARTIES TO THE AGREEMENT

1. The Fisheries Administration (FiA) represented by its Project Director, officially based at No. 186, Norodom Boulevard, Sangkat Tonle Basac, Khan Chamkar Mon, Phnom Penh, Cambodia; and
2. \_\_\_\_\_(insert name of Livelihoods sub-grant recipient)  
\_\_\_\_\_(insert village name)  
\_\_\_\_\_(insert Commune name)

## 2. PURPOSES OF THE AGREEMENT

This agreement sets out the rights and obligations of the Fisheries Administration (FiA) and the Livelihoods sub-grant recipient named above to implement Livelihood Enhancement Activities under the M-IWRM-III Project in accordance with the provisions of this agreement and documents attached hereto.

## 3. RIGHTS AND OBLIGATIONS OF THE PARTIES

### 3.1 Fisheries Administration (FiA)

1. Review and approve Livelihood Sub-grant applications and recommendations contained in the 'Sub-grant Applications Evaluation Report' submitted for each CFi by the PIT and the Project Consultants, and endorsed by the CFC.
2. Finance livelihood sub-grants awarded to eligible and priority household members of the CFi.
3. Disburse of cash transfer by the sub-grants to the eligible CFi household member, which the name provided in this Agreement upon receipt of this 'Livelihood sub-grant Agreement' with their ALCEDA bank account details attached.
4. Shall provide the necessary technical support and capacity building to eligible and priority households to effectively implement their livelihood enhancement activities. This may cover aquaculture, vegetable, livestock, mushroom and other alternative livelihood activities to increase productivity and income.
5. Shall have the final responsibility for suspension or cancellation of the agreement, if deemed necessary.
6. Shall have the rights to supervise the execution of the agreement from the start till completion, and to inspect the related activity anytime.
7. Shall stop any activity that might affect environment and social aspects.

### 3.2 The Livelihoods sub-grant recipient named in this Agreement

1. Shall be responsible for implementing their Livelihood sub-projects activities in accordance with the *Livelihood Enhancement Guidelines*.
2. Attend the first 'Orientation Meeting'.
3. Prepare a 'Livelihood Sub-grant Application Form'.
4. Attend the Sub-grant Award Announcement Meeting.



5. Open an ALCEDA Bank account.
6. Sign and return (via the PIT) this Livelihood Sub-grant Agreement, attaching the recipients ALCEDA bank account details.
7. Attend livelihood training and capacity building activities as required.
8. Cooperate with the project team with all administration, and monitoring activities.
9. Shall permit, the World Bank and/or persons appointed by the World Bank to inspect the Site and/or all accounts and records relating to the performance of sub-grants and to have such accounts and records audited by auditors appointed by the World Bank and/or FiA.
10. Shall ascertain and conform in all respects with the provisions of laws, rules and regulations of the Royal Government of Cambodia, which may be applicable to this Agreement. These will include promotion of social and environmental safeguards.

#### **4. ATTACHMENTS TO THE AGREEMENT**

The following documents shall constitute parts of this Agreement

1. The Livelihood Sub-grant Application Form submitted by the sub-grant recipient named in this Agreement.
2. ALCEDA bank account details of the sub-grant recipient named in this Agreement.

#### **5. SUB-GRANT AMOUNT**

The total amount of the sub-grant is \_\_\_\_\_ USD (in words \_\_\_\_\_).

#### **6. DISBURSEMENT PROCEDURES**

All disbursements under this agreement shall be carried out by means of direct bank transfer to the ALCEDA account of the sub-grant recipient named in this Agreement in accordance with the *Livelihood Enhancement Guidelines* and the rights and obligations of the parties described above.

#### **7. AGREEMENT TERMINATION**

This Agreement may be canceled based on the following conditions:

- Breach of obligation by any of the parties to this agreement.
- If at any time, it is determined that any party of the agreement has engaged in any corrupt or fraudulent, coercive, collusive, or obstructive practices.

#### **8. AGREEMENT DURATION**

This agreement will be remained effective from the date of signing to .....  
.....(DD/MM/YYYY).

## **9. SETTLEMENT OF DISPUTES**

Any conflicts or disputes arising out of or in connection with the interpretation or implementation of this agreement, which cannot be settled amicably by the parties, shall be decided through judicial proceedings in accordance with the Laws of Kingdom of Cambodia.

## **10. AGREEMENT EFFECTIVENESS**

This agreement shall be effective from the date of signature entered into upon by all concerned parties.

Signed on this date \_\_\_\_/\_\_\_\_/\_\_\_\_

For FiA:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Component Director

The sub-grant recipient named in  
this Agreement

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

## **Livelihood Enhancement (LE) Activities Completion Form**

### **1. Purpose**

This form is used to verify that the households' Livelihood Enhancement (LE) activities, as described in the activity schedule described in their Livelihood Sub-Grant Application Form, has been successfully completed.

### **2. Sub-grant recipient details**

\_\_\_\_\_ Recipient's Name  
\_\_\_\_\_ Village Name  
\_\_\_\_\_ Commune Name  
\_\_\_\_\_ CFi Name

### **3. Livelihood Enhancement (LE) Activities**

Describe what livelihood enhancement activities have been completed to date with reference to the Workplan and Requested Sub-Grant Disbursement Schedule included in your Livelihood Sub-grant Application Form attached.

Add description here.

### **4. Confirmation**

\_\_\_\_\_ Signature  
\_\_\_\_\_ Sub-grant recipient's Name  
\_\_\_\_\_ Date (DD/MM/YYYY)

## 5. Verification

By the PIT

\_\_\_\_\_ Signature  
\_\_\_\_\_ Name  
\_\_\_\_\_ Date (DD/MM/YYYY)

By the CFC

\_\_\_\_\_ Signature  
\_\_\_\_\_ Name  
\_\_\_\_\_ Date (DD/MM/YYYY)

## 6. Attachments

1. Recipient's Livelihood Sub-grant Application Form

## Annex 6 Livelihood Sub-Grant Implementation Completion Form

### **Livelihood Enhancements M- IWRM 3 Component 1 Livelihood Sub-grant Implementation Completion Form**

#### **1. Sub-grant recipient details**

Name of Sub-grant recipient:	Village: District:	Commune: Province:
Initiative title:	Initiative code:	
Reporting period:	Type of report:	
Date of submission:		

#### **2. Sub-Project Description**

Provide a brief description of the Livelihoods sub-project. Include a description of the goals, activities and outcomes.

--

#### **3. Significant Events**

Briefly describe what happened throughout this initiative. What were the difficulties, significant and memorable moments, interesting things that happened?

--

#### **4. Outcomes**

Was this initiative successfully completed?

--

#### **Key results:**

Check-mark the results that you think you have achieved by completing this initiative and provide proof for them.

No	Results	Score (1-5)	Proof

Were there any things that did not go according to plan? Describe them.

--

How can you follow up on this activity?

--

Activity completed successfully?	Yes	No

## 5. Confirmation

\_\_\_\_\_ Signature  
 \_\_\_\_\_ Sub-grant recipient's Name  
 \_\_\_\_\_ Date (DD/MM/YYYY)

## 6. Verification

By the PIT

\_\_\_\_\_ Signature  
 \_\_\_\_\_ Name  
 \_\_\_\_\_ Date (DD/MM/YYYY)

By the CFC

\_\_\_\_\_ Signature  
 \_\_\_\_\_ Name  
 \_\_\_\_\_ Date (DD/MM/YYYY)

## 6. Attachments

1. Recipient's Livelihood Sub-grant Application Form

Annex 7 Grievance Redress and Complaint Form

**M- IWRM 3 Component 1**  
Livelihood Enhancement  
**Grievance Redness & Complaint Form**

Name of Recipient:	Village: District:	Commune: Province:
Initiative title:	Initiative code:	
Reporting period:	Type of report:	
Date of submission:		

I would like to raise the following issues which I have encountered during my involvement in the Project's Livelihood Enhancement Activities:

1.
2.
3.

As issues facing above, I'm proposing to the Director of the project M- IWRM-3 to clarify and solve the problems, accordingly.

Signature\_\_\_\_\_

Date (DD/YY/MM)\_\_\_\_\_

Sub-Grants Forms

## Annex 8 Operating cost for CFC

### Rationale

The Community Fisheries Committees (CFCs) requires budget support to cover operating costs for their roles in supporting to alternative livelihood activities. CFCs will have a large role to play in organizing the Alternative Livelihood activities with the Provincial Fisher Administration (PFiA) in helping the community prepare the grant applications, in monitoring the implementation of the grants, and to ensure that qualified households (livelihood beneficiaries) will continue their livelihoods activities for income generation in a sustainable manner.

### Budget

The total budget of \$147,000 will be earmarked for operating costs of the total 70 CFCs. The allocation of budget for operating costs will be at a flat rate of \$50 per month for each CFC, which covers the period of 3.5 years, the estimated period for implementation of the livelihood activities.

The budget allocation for operating costs, hereinafter refer, means a cost norm for a petty expense of CFC's administrative costs and field monitoring visits to individual household members, and to make sure that each household is fully complied with the livelihood sub-grant agreement.

The budget for operating costs will be ceased by the closing date of M-IWPMP-Phase II. The provision of the operating cost for CFCs is not from the livelihood sub-grant category (Category 2) of the Financing Agreement. This budget allocation for operating cost will be separate from the sub-grant funds and that the sub-grant fund for livelihoods are not able to use for operating purposes.

### Eligible expenditures

The operating costs will be allocated for each CFCs with a cost norm of \$50 per month. The fixed lump sum of \$50 will be treated as a standard cost norm for operating expenses on monthly basis and will recognize as expense in the Book of FiA when the payment is made from the FIA/CMU to CFCs. The cost norm of \$50 per month is allowed for CFC members to spend related to livelihood activities. The eligible expenditures of operating costs for CFC members include:

- (i) Fuel and local travel/transportation costs,
- (ii) Foods/ meals during site monitoring visits,
- (iii) Stationery, and
- (iv) Meeting expenses

The fixed sum of \$50 per month is the flat rate and the CFC shall utilize the money according to the activities stipulated in the TOR (roles and responsibilities) and terms of condition of the sub-grant agreement.



The operating costs cannot be used to finance wage/salary or treated as an allowance for individual members of CFCs.

#### Fund flow/ Cash transfer

Cash transfer will be channeled directly through the Bank account of small-scale infrastructures on quarterly basis. The total amount of \$150 will be transferred quarterly to CFC, of which the Bank account of small-scale infrastructure will be used as a transit account. Once the cash has been transferred to this transit account, CFC shall withdraw the money right away and there should not be leaving undisbursed balance in the transit account.

An annual budget allocation for operating costs for each CFC is a small amount of money with a flat rate of 50\$ per month and \$600 per year. The opening of a Bank account for this purpose to receive this fund from FiA is not required

The transit account is required for cash transfer to CFC using the Bank account of the small-scale infrastructure. Given the reason that the bank account for small-scale infrastructure is also under the administration of the Community Fisher Committees.

Frequency of cash transfer will be quarterly. FIA shall make a transfer in the amount of \$150 as advance to each CFC from the beginning of each quarter and continue to repeat this quarterly release. Once the cash has been credited into the transit account, CFC shall be able to withdraw the money immediately. The withdrawal of \$150 shall be under the custody of the CFC head and he/she is the budget holder.

#### Recording and reporting of expenditures

CFC receives cash transfer from FiA/CMU quarterly. However, CFC must prepare and submit their expenditures to PFiA on monthly basis and PFiA will further submit to FiA for recording and filing. This original documentation from CFC will be retained at FiA for audit purposes. The monthly financial report from CFC contains the followings:

Monthly Statement of Expenditures (SOE). CFC will prepare monthly expenditures using Statement of Expenditures (SOEs) to be provided by FiA. The SOE contains all payments made by the CFC.

Pay Slip. A form of payment for any expenditures to be made by CFC related to Fuel and local travel/ transportation costs, Foods/ meals during site monitoring visits, Stationery, and Meeting expenses.

The pay slip to be prepared and submitted by CFC member, in the form of requested by, and the pay slip to be approved by CFC head, in the form of approver. The other supporting documents are not required such as a receipt/ invoice. The pay slip is to be provided FiA.

Monthly Field Monitoring Sheet. A form of time sheet of CFC conducts regularly, and organizes the Alternative Livelihood activities with the Provincial Fisher Administration (PFiA) in helping the community prepare the grant applications, in monitoring the

implementation of the grants. The Form be completed by CFC and will be provided by FiA.

The expenditures of CFC for the above operating costs is subject to be audited as part of annual audit of the Component 1.

Relevant forms are below:

### Livelihoods Enhancement Activities- CFC Task Monitoring Sheet

CF's name: Svay Thom

Commune: Svay Thom

District: Borivat

Province: Stung Treng

CFC Task Monitoring Sheet from: .....to ..... Month

Year 2018

Tasks	Description/ Activities	Week 1	Week 2	Week 3	Week 4	Remarks/observation
1	Help announce, organize, facilitate and chair the first 'Orientation Meeting' – village assembly	✓				Completed/ Satisfied
2	Help households prepare their Livelihood Grant Applications		✓			Completed/ Satisfied
3	Help facilitate beneficiaries (households) to open Bank account at the nearby ACLEDA branch and provide bank account information to PIT/ FiA			✓		Completed/ Satisfied
4	Help announce, organize and facilitate the Award Announcement Meeting				✓	Completed/ Satisfied
5	Help households to complete their Livelihood Grant Agreements with the FiA				✓	Completed/ Satisfied
6	Support the PIT to announce, organize meetings/ trainings to the beneficiaries (households) related specific agricultural, animal husbandry, veterinary, fisheries etc					
8	Facilitate, announce the monitoring visits of PIT/ FiA team and organize and join the visits with PIT/ FiA, World Bank and visitors to livelihood activities					
9	CFC conducts monitoring visit to households as part of the livelihood sub-project activity - <b>Fish Pond</b>					
10	CFC conducts monitoring visit to household as part of the livelihood sub-project activity – <b>Concrete Tank of fish cage</b>					
11	CFC conducts monitoring visit to households as part of the livelihood sub-project activity - <b>Fish Farm</b>					
12	CFC conducts monitoring visit to households as part of the livelihood sub-project activity- <b>Irrigation scheme</b>					
13	CFC conducts monitoring visit to household as part of the livelihood sub-project activity - <b>Vegetable growing</b>					

Tasks	Description/ Activities	Week 1	Week 2	Week 3	Week 4	Remarks/observation
14	CFC conducts monitoring visit to household as part of the livelihood sub-project activity - <b>Livestock raising</b>					
15	CFC conducts monitoring visit to household as part of the livelihood sub-project activity - <b>Handicraft</b>					
16	CFC conducts monitoring visit to household as part of the livelihood sub-project activity - <b>Fish processing</b>					
17	CFC conducts monitoring visit to household as part of the livelihood sub-project activity - <b>Storage of agriculture product</b>					
18	CFC conducts monitoring visit to households as part of the livelihood sub-project activity - <b>Mushroom farm</b>					
11	Facilitate, announce evaluation & impact assessment conducted by PIT/ FiA team and participate in this evaluation process					
20	Other tasks are not indicated above					

### Summary/ Conclusion:

Examples:

- CFC team members provided collaboration and cooperation to PIT/FiA team to fulfil their obligation. In August, CFC has achieved the following tasks:
- Helped announce village assembly and many households attended the meetings
- Participated in the process of grant application process and informed to qualified households to open their bank accounts at the nearby ACLEDA bank

Name & Signature of CFC head

Date

### Note

- Each CFC is required to fill out the CFC task monitoring sheet – once for every month (one sheet per month)
- Tick only those tasks that CFC has been completed, and leave blank for tasks that did not carry out
- In the observation/ remark- state it whether it is satisfied to the CFC after it has completed the task
- CFC can decide amongst their CFC team member to take turn in **site monitoring visits to each household**
- When CFC visited households, they need to count number of households

Name of CFi: \_\_\_\_\_

Commune: \_\_\_\_\_

District: \_\_\_\_\_

Province: \_\_\_\_\_

Sub-Project: *Srey Sro-bpha Fishery*

Mekong Integrated Water Resources Management Project - IDA 5777KH

**Summary of Expenditures**  
**The month ended \_\_\_\_\_**

No.	Name of Payees	Description Expenditures	Paid Date	Pay Slip Ref. Number	Amounts
1	Mr. A (CFC member)	Fuel and local travel/ transportation costs	7/5/2018	PS/SS-001	\$ 13
2	Mr. B (CFC member)	Foods/meal during site monitoring visits	7/12/2018	PS/SS-002	\$ 20
3	Mr. C (CFC member)	Stationery	7/15/2018	PS/SS-003	\$ 5
4	Mrs. D (CFC member)	Meeting expenses	7/20/2018	PS/SS-004	\$ 12
<b>TOTAL</b>					<b>\$ 50.00</b>

**Approved by**

\_\_\_\_\_  
**Signature**

**Name:** \_\_\_\_\_

**CFC Head**

**Date:** \_\_\_\_\_

**Prepared by:**

\_\_\_\_\_  
**Signature**

**Name:** \_\_\_\_\_

**CFC team member Treasurer**

**Date:** \_\_\_\_\_

## 1. Livelihoods Defined

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain its capabilities and assets both now and in the future, while not undermining the natural resource base (Chambers and Conway 1991).

The term “livelihoods” can have different meanings whether they are “enhanced” livelihoods, “diversified or supplemental” livelihoods, or “alternative” livelihoods.

**Enhanced livelihoods** primarily focus on adding value to ongoing traditional or historical activities. Strategies that enhance livelihoods move communities and stakeholders up the value chain by improving ongoing economic activities that could, with support, provide higher and more sustainable income streams. For example, an enhanced livelihoods program could provide extension services to teach beekeepers how to process, package, and market honey and related products. Additional activities include providing financial capital to expand current production of various products; technical support to develop more effective crab fattening and marketing or more effective fish drying and marketing; connecting products to markets to increase opportunities to sell sustainably harvested or produced goods (i.e., value chain); or encouraging more ecologically sensitive use of local resources for income generating activities (e.g., creating mangrove nurseries in communities for seedling sale and replanting activities, cultivating seaweed, etc.). Communities generally take up approaches under the ‘enhanced livelihood’ category more easily because, in some way, they are already part of the community’s day-to-day economic life.

**Supplemental and diversified livelihoods** are somewhat different, intended to reduce household dependence on a single livelihood for income and food (e.g., fishing or coral harvesting). A diversification strategy sometimes includes elements of enhancing existing livelihoods *and* adopting “supplemental” strategies (making current practices more sustainable). This strategy is less risky than alternative livelihoods (below), but it requires greater investment than simply enhancing current, ongoing livelihoods activities. Supplemental or diversified livelihoods can potentially reduce pressure on natural resources. For example, even if fishermen continue fishing, they might reduce their individual fishing effort if they are able to get some income from another livelihood. Supplemental livelihoods can also be a step towards switching to an alternative livelihood (see below). Examples may include new, non-resource dependent alternatives (e.g., mat weaving or other crafts production, introduction of seaweed production, etc.). Often, supplemental or diversified livelihoods have the added benefit of making a primary livelihood safer, healthier, more effective, more efficient, lower risk, and ultimately lead to better outcomes. Supplemental livelihoods provide sources of income that strengthen compliance with other fisheries management efforts such as improved habitat protection through conservation zones or community fisheries.

**Alternative livelihoods** require considerable extension/outreach support to set up and sustain – often involving financial, technical, and material input from government, communities, and the business sector. Because of the additional time and support needed, government roles are critical including forming and sustaining extension and outreach support. Alternative livelihood development presents the promise of reduced pressure on resources; however, it is the most extreme of options for livelihoods support because it implies a switch of livelihoods. Completely changing occupations makes alternative livelihoods risky for those involved. For example, teams may attempt to persuade fishermen to exit overexploited fisheries for other occupations, thereby reducing pressure on fish resources. However, past studies demonstrated that fishers often are satisfied and enjoy the fishing occupation. Hence, fishermen often lack the aspiration to exit fishing (or such activities as coral harvesting) and the attempt to introduce completely alternative livelihoods often fails (Pomeroy et al. 2005). Fishers may experiment with an alternative but in many cases the evidence shows they eventually they end up back at what they know and love to do so well – fishing.

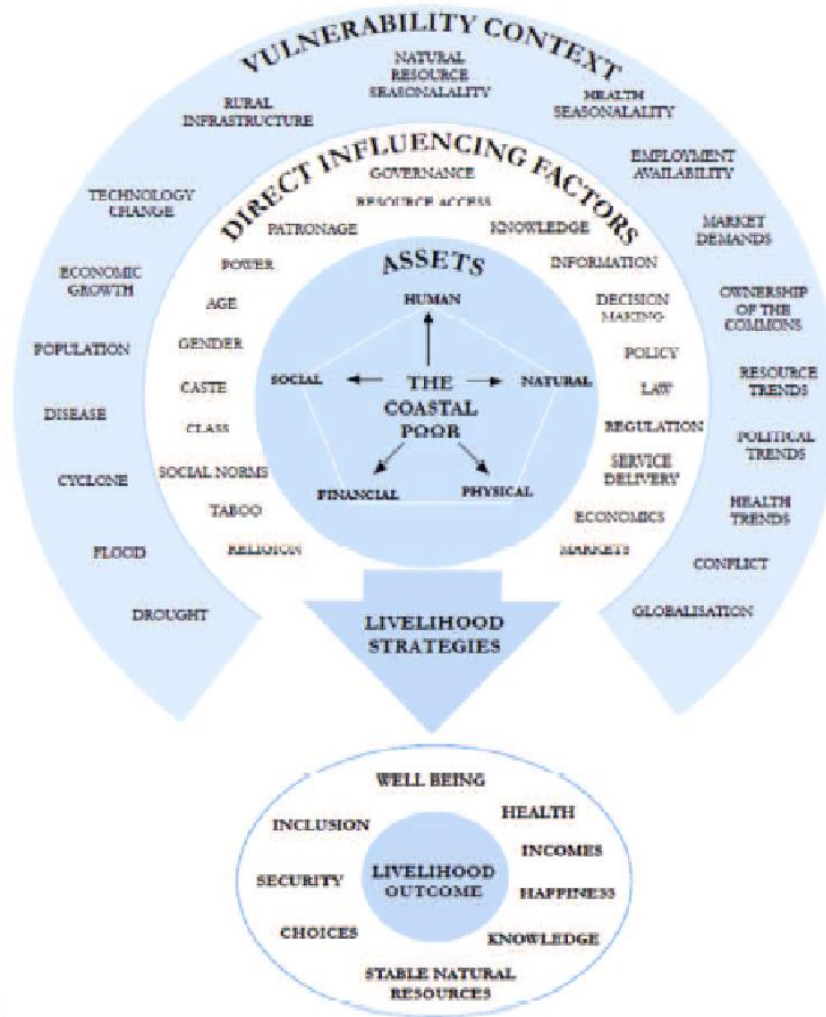
## 2. Understanding Livelihoods

Developing sustainable livelihoods requires understanding the **diversity** of fishing people and communities, especially in relation to their livelihood strategies. It also requires understanding the **assets or capital** which these people have available to them, the means by which households **adapt** to reduce their risks, the **incentives** that drive the decisions of resource users, and the sources of their **vulnerability** to stresses and shocks.

A useful approach to understanding and developing livelihoods, especially for the poor, is the Sustainable Livelihoods Framework (DFID 1999). The Sustainable Livelihoods Framework is useful for understanding the complexity of the lives of fishing people and their livelihood strategies and outcomes. Figure I is Sustainable Coastal Livelihoods Framework.

**Figure 1: Sustainable Coastal Livelihoods Framework**

*Sustainable Coastal Livelihoods Framework*



IMM, The Innovation Centre, University of Exeter, UK

The Sustainable Livelihoods Framework provides a schematic of assets and activities and illustrates the interaction between them. Central to Figure 1 is the “asset pentagon” (center). This visually represents people’s assets, highlighting important interrelationships between the various asset sets. Different forms of capital from the five asset-categories (human, natural, financial, social, and physical) combine in a multitude of ways to generate livelihood outcomes. The Sustainable Livelihoods Framework also incorporates the **vulnerability context**, which frames the external environment in which people exist (DFID 1999; DFID 2004). **Vulnerability** is defined as a high degree of exposure to risks, shocks, and stresses and leads to issues and insecurity (Ellis 2000b). The vulnerability context recognizes that such shocks, trends, and seasonal shifts fundamentally affect livelihoods and the availability of and access to assets. The livelihood strategy options available to coastal people, based on the resources to which they have access, are the result of these multiple and varied influencing factors. The



livelihood strategies that are adopted follow decisions best made by the coastal peoples themselves. Applying such an analytical framework helps to reveal the distinctiveness of the circumstances that coastal people and communities face, and the variety of responses that individual households adopt in response.

The idea of **assets** is central to sustainable livelihoods. Rather than understanding poverty as simply a lack of income, the sustainable livelihoods approach considers the assets that poor people need in order to sustain an adequate income to live. Based on those assets, and shaped by the vulnerability context and the transforming structures and processes, poor people are able to undertake a range of livelihood strategies - activities and choices - that ultimately determine their livelihood outcomes. Poor people are usually obliged to combine a range of strategies in order simply to survive; individuals may engage in multiple activities, and the different members of a household may live and work in different places. The outcomes that they may achieve, all being well, could include more income, increased well-being, reduced vulnerability and greater food security. Sometimes one outcome can negatively affect another; for example, when poor people engage in less risky, and hence lower income activities, in order to be less vulnerable to shocks.

Five types of assets, or capital as they are described in the literature, have been identified that we all, not just poor people, need in order to make a living. These are the following:

- **Human capital:** skills, knowledge, the ability to work and good health. Good health is not simply a means to earning a livelihood; it is of course an end in itself.
- **Social capital:** the social resources that people draw on to make a living, such as relationships with either more powerful people (vertical connections) or with others like themselves (horizontal connections), or membership of groups or organisations. Generally, relationships of trust, reciprocity and exchange that the poor can draw on in times of need, and that lower the costs of working productively together. Like human capital, social capital has an intrinsic value; good social relationships are not simply a means, they are an end in themselves.
- **Natural capital:** the natural resource stocks that people can draw on for their livelihoods, including land, forests, water, air and so on.
- **Physical capital:** the basic infrastructure that people need to make a living, as well as the tools and equipment that they use. For example, transport and communication systems, shelter, water and sanitation systems, and energy.
- **Financial capital:** savings, in whichever form, access to financial services, and regular inflows of money.

The more assets any household has access to, the less vulnerable they will be to negative effects of the trends and shocks as described above, or to seasonality, and the more secure their livelihood will be. Often increasing one type of capital will lead to an increase in other amounts of capital, for example, as people become educated (increase in human capital) they may get a better job which earns more money (increase in financial capital) which in turn means that they are able to upgrade their home and facilities (increase in physical capital). Sometimes, however, one form of capital decreases as another increases. This could be true, for example, where a person or household sells their land to migrate to a city.

### 3. Four Dimensions of Sustainable Livelihoods

Sustainable livelihood strategies refer to the range and combination of activities and choices that people make in order to achieve their livelihood goals. On the basis of their personal goals, their asset base and their understanding of the options available, individuals and households develop and pursue different livelihood strategies. These strategies include short term considerations such as ways of earning a living, coping with shocks and managing risk, as well as longer-term aspirations to enable their children to marry well, to become self-supporting and to look after their parents when they become too old to earn a living. Households with plenty of assets such as land, water, livestock, equipment and money, as well as higher education and skills and better socio-political networks, generally have a wider range of livelihood options than households with fewer assets. Strategies may also differ within households. This can be beneficial if a household practices diverse activities and income-generating enterprises when possible in order to secure at least core household needs and income. However, intra-household differences can also result in tensions arising between household members if they end up competing for the use of the same scarce resources.

Recent research and practice in community development suggest that diversity, adaptation, incentives and vulnerability all need to be appreciated when undertaking an analysis of livelihood strategies.

**Diversity** - Although the dominant livelihood in many fishing communities, capture fishing is not the only livelihood. Indeed, even when fishing and agriculture are accounted for, all the other livelihoods (ranging from fish processing to tourism) combined can employ an equal or greater number of people in many fishing communities. These other livelihoods are also likely to employ a wider mix of persons, including women and those from non-fishing communities. Fishing communities and the people who live in them are not homogeneous. Even within a single community, fishery resource users may have quite distinct economic orientations. They may be full-time, part-time, seasonal or migratory, and households may have a commercial or subsistence orientation. Livelihoods may be based on a subsistence or wealth creation goal and on a diversified or specialist strategy (Smith et al. 2005).

**Adaptation** - Many households in fishing communities undertake a range of livelihoods in order to cope financially and reduce the risks associated with high economic dependency on natural resources (Bailey and Pomeroy 1996; Allison and Ellis 2001). Fishing itself is a diverse occupation. Existing livelihood strategies may be modified or new strategies adopted to meet changing conditions. It is important to focus not only on the resource user but also on the whole household and household livelihood strategy. For example, all or some of the family members may engage in different livelihood activities and these activities may change both temporally and spatially throughout the year depending on economic, resource and environmental conditions. The household livelihood strategy may be based on relationships between the extended family or within the nuclear family. The household livelihood strategy mix will depend upon season, access to the resource (whether fishing areas or farm land), access to capital, skill base, education, and risk preference. Rather than being specialized, and therefore vulnerable to a sudden change, many households in fishing communities are well situated to adapt to changing circumstances. The net result of this occupational diversity is that many

fishing communities are best understood as dependent not on a single resource but on a whole ecosystem, freshwater and terrestrial.

**Incentives** - The incentive structures that individuals and households face are in part of an economic nature, and in part related to other external factors, such as property rights, rules governing resource use, and levels of enforcement. Many fishery resource users exist at the subsistence level and have a short-run survival strategy of taking care of the daily needs of themselves and their family. Due to limited capital mobility and lack of alternative livelihoods, these resource users, such as fishers, will use whatever resources are available to them (technology, skill, capital) in order to harvest as much of the resource as possible. These resource users have what is called a high discount rate concerning use of the resource – they prefer profits and food now over a continual flow in perpetuity (Pomeroy 1991).

Cultivating an awareness of the problems of unsustainable resource use is therefore only a small first step. The more difficult and vital work involves shifting the incentives that resource users face. This includes efforts that build on the array of opportunities at people's disposal – so that they become less directly dependent on the local natural resources for their daily subsistence – and strengthen their security of tenure (whether private or communal) – so that users have a greater stake in a longer-term perspective.

**Vulnerability** - The physical isolation of some fishing communities makes them highly resource-dependent and reduces access to alternative livelihoods; this can make them especially vulnerable to any disruptions. Yet even physical isolation can be mitigated through appropriate improvements to infrastructure, health and education services, and improved access to information and markets. Some aspects of household vulnerability vary with the seasons. While occupational diversification may allow households to maintain a level of income throughout the year, there may be periods of high income (as when crops are harvested or fishing is good) and low income (as when fishing is poor or not possible due to storms). A household's ability to weather these slack periods depends also on the availability of other sources of income, including remittances from family members living outside the area, informal loans from money lenders or traders, and systems of mutual support at the community level. Other root causes of vulnerability in fishing communities are social and economic power imbalances, lack of participation in decision-making, limited asset ownership, resource dependence, and laws and regulations that influence people's ability to use assets. Once the root causes of vulnerability are recognized, interventions can be put in place to address them and to increase the resilience of the community to shocks, seasonal factors, and human and natural changes. Building resilience means, in part, reducing reliance upon natural resources for livelihoods, strengthening community institutions, organizations and infrastructure, and diversifying livelihoods.

#### 4. Considerations in Sustainable Livelihoods Development

There are a number of considerations in designing and implementing livelihoods development:

- The development of sustainable livelihoods should focus on **building the social and economic basis of livelihoods** by giving people the skills that address the roots causes of vulnerability and build resilience to cope with the future. The

development of sustainable livelihoods should be undertaken through a process of change that will address the recurrent factors that make people vulnerable.

- It is necessary to give fishers and their families a broad range of **livelihood options**, both supplemental and alternative, to choose from in order to both support exit from the fishery and to reduce the household's economic dependence on the fishery. Livelihoods are almost always multiple and it is critical to understand the mix of livelihood options that a household and individual may select. The livelihoods should have a low capital requirement and low operating costs.
- A **gender**-sensitive approach to livelihoods involves understanding the different roles, needs, vulnerabilities and aspirations of women and men, girls and boys.
- Conduct separate meeting with women and women ethnic minority group and FHHs in CFi to identify their need for livelihood development and try to find out their obstacle to access the livelihood development.
- Take more consideration of women and ethnic minority's issues and need for their livelihood development.
- There should be **consultation** with the project beneficiaries. The identification of livelihood projects should be in consultation with targeted beneficiaries to eventually tap and solicit their support during project implementation.
- **Social preparation** of project beneficiaries (empowerment, organizing, education, and training) before the actual implementation of the livelihoods is an important component of success. It also includes strengthening advocacy and networking skills to be able to engage with government and other communities and organizations.
- **Enhance existing livelihoods** rather than develop new livelihoods
- **Social diversity** has important implications for livelihoods because there are strong correlations between livelihoods, poverty and diversity. Social diversity refers to differences between different categories of people and households in their access and control over livelihood assets, in their relative wealth, livelihood security, and social status, in their sense of belonging to different social groups and in cultural norms and beliefs.
- In addition to livelihoods, there is a need to improve the basic **public services** (health, education, welfare and infrastructure (roads, communication, water) provided to households and communities.
- **Maintain support** to the livelihood interventions through all phases of implementation and for a period after the project ends. Make sure that support services are available to the beneficiaries.

## 5. A Process for Identifying and Supporting Sustainable Livelihoods Development

A number of different processes can be followed to develop livelihoods, and it is important to stress that there is no blueprint or single correct approach. However, it is vital that the process be well planned at the operational level and be participatory, involving consultation and collaboration with the community. Recognizing that short-term, uncoordinated action can be detrimental to sustainable long-term livelihood development, it is also vital that any process be grounded in a longer-term strategic plan, such as the CFi area management plan and the Community Development Plan.

For any livelihoods program, the following must be considered:

- A person must learn about and understand the benefits of the new livelihood(s).
- He/she must assess whether or not the livelihood(s) is a good opportunity and worth the time.
- He/she needs to decide to try the livelihood(s).
- Once a decision has been made, the person has to acquire the necessary knowledge, skills and inputs to actually implement the livelihood(s) (Rogers 1995).

A process for development of coastal livelihoods could be replicated for the context of the project target area in North of Cambodia which involve the following steps:



- 1. Target area definition and identify target beneficiaries.** A decision needs to be made early on about whether a geographic area, a community or a specific type or group of people will be the target of the intervention. It will usually be a mix of these. Care should be taken not to assume that a community (whether defined geographically or socially) is a homogeneous unit. There will be different interests in a community, based on gender, class, ethnic, and economic variations, and different capacities to adapt and change. A decision needs to be made early as to who the target beneficiaries will be whether individuals, households and/or groups of individuals or households.
- 2. Community entry and integration.** In most cases, an organization or group (whether government or non-government) composed primarily of people from outside the community will undertake the livelihoods process. The organization or group will have established a team to undertake the livelihoods process. The

team leader and team members should identify the main stakeholders (for example, formal and informal community leaders) in the community and initiate a series of meetings with individuals and groups to introduce themselves, their purpose, the project, what assistance they can provide, and how they will provide the assistance. It will be important for the team to spend time in the community in order to establish initial relationships and credibility with community members.

- 3. Assessments of resources, needs and opportunities.** In order to ensure that livelihoods are developed in a way that reflects the needs and capacities of the community, the team may undertake, preferably in a participatory manner, a number of assessments to provide information for planning. The assessments can also serve to support community education and involvement. The assessments are used to understand why and how people make livelihood decisions, diversify their livelihood strategies, and to identify livelihood opportunities and options. The assessment process may include a “visioning” exercise where people are encouraged to think broadly about quality of life and factors in their lives that influence it (Newkirk et al. 2006). A number of assessments, such as analyses of the following, can be undertaken (ITDG 2004). The manner in which the assessments are carried out, especially those that require input from the affected people, should recognize their current situation. Assessments must be participatory, ongoing and timely. Methods such as participatory rural appraisal (PRA) can be used, which tools as below:

- stakeholders
- gender
- household demographics
- livelihood diagnostics and cropping patterns
- marketing system and linkages
- natural resources
- community/social support structures
- community strengths, weaknesses, opportunities and threats (SWOT)
- hazards, risks
- vulnerability and capacity
- community coping mechanisms.

As no community is homogeneous, where possible, it will be useful to work with individuals and households to identify their goals, attitudes and preferences in order to identify options for livelihood change.

- 4. Education and capacity development.** The issues associated with livelihoods are generally complex, and there is a need to promote awareness in the community and to develop people’s capacity to participate actively in the livelihoods process. The purpose of education and capacity development is to provide people with knowledge and skills so that they are empowered to participate effectively in the livelihoods process, begin to take greater control over resource and economic and social problems and needs, increase their awareness and understanding of the factors affecting livelihood vulnerability, and be able to evaluate the livelihood options. It is important to start the education and capacity development activities as soon as possible in the process.

**5. Livelihood Options Plan.** A number of different options exist for livelihoods. These include (a) maintaining the existing livelihood strategy, (b) improving the existing strategy, (c) diversifying or supplementing livelihoods, and (d) adopting alternative livelihood strategies (IMM Ltd (b) no date). A range of options with different levels of risk, financial requirements, and skill level can be developed. The plan should be prepared in consultation with the target group, and identify the direction in which they would like to go and the opportunities and constraints that exist. Both the government and private sector need to be partners with the community in preparing and implementing the plan. Whatever option or combination of options are selected, the process should be guided by a plan that is based on information provided by the assessments and by ideas generated both by the community and from outside, and that specifies:

- the goal and objective to be achieved
- the specific activity for achieving the objective
- the expected output (what will be produced or changed)
- the timeframe (over what period will the plan be implemented)
- the participants (those whose cooperation is needed to carry out this action effectively)
- the lead person or organization (who is responsible for implementation)
- the funding needs and sources

Livelihood needs and options may have been identified, in a general way, in the CFI area management plan. This can serve as a foundation for a more detailed livelihood plan.

**6. Livelihoods Implementation.** The individual or household should be provided assistance in assessing each livelihood option. Key criteria for assessing livelihood options include:

- **Social feasibility** – are the livelihood options compatible with the needs and aspirations, existing work ethic and livelihood strategies, organization, economic and social structure, gender differences, and culture of the affected community and households.
- **Technical feasibility** - The choice of livelihood options, and specifically the technology associated with the livelihood options, will be dependent upon four factors: its associated management intensity, technological complexity, risk level and economics.
- **Supporting infrastructure and policy environment** - The sustainability, and therefore choice, of a livelihood option will depend on the availability of supporting infrastructure and the enabling environment, including credit, inputs, and technical assistance.
- **Market feasibility** - The marketing system should be examined to identify opportunities and constraints, such as product requirements, price, physical infrastructure improvements, marketing channels, and the role of market intermediaries.

**7. Long-term sustainability plan.** The best approaches to livelihoods are those that can be sustained by the beneficiaries after the external organization, with its

human, technical and financial resources, leaves the community. A viable livelihood today will only be sustainable if it incorporates the capacity to evolve with the changes around it. To develop livelihoods in a manner that will be effective and sustainable requires addressing the factors that have led to vulnerability – unsustainable livelihoods, high levels of poverty and a declining quality of life in fishing communities. Development of sustainable livelihoods will involve addressing fundamental social, economic and environmental reforms that affect fishing households and communities.

8. **Adaptive learning through monitoring and evaluation.** Monitoring and evaluation consists of reviewing the results of actions taken, and assessing whether or not they have produced the desired outcomes – this helps necessary adaptation and improvement. The livelihoods should be monitored and evaluated if there is to be learning from successes and failures. The planning cycle includes the process of monitoring and evaluation. Effective monitoring and evaluation involves several steps – (1) preliminary appraisal, (2) baseline assessment, (3) monitoring, and (4) evaluation. Information for each of these steps is essential if the livelihoods are to be effective and learning is to be ongoing and adaptive.



## **Background**

The project “Mekong Integrated Water Resources Management - Phase III” is funded by the World Bank. The objective of this project is to establish the foundation for effective water resource and fisheries management in the northeast of Cambodia.

Within this project, Component 1 (Fisheries and aquatic resources management in Northern Cambodia) is executed by the Fisheries Administration and implemented by the Inland Fisheries Research and Development Institute. The objective of this component is to improve the management of fish and aquatic resources in selected areas in Kratie and Stung Treng provinces.