

**ASIAN DEVELOPMENT BANK**

**TAR: CAM 34380**

**TECHNICAL ASSISTANCE  
(Financed from the Japan Special Fund)  
TO THE  
KINGDOM OF CAMBODIA  
FOR PREPARING THE  
AGRICULTURE SECTOR DEVELOPMENT PROGRAM**

**August 2001**

## CURRENCY EQUIVALENTS

(as of 14 June 2001)

Currency Unit	–	Riel (KR)
KR1.00	=	\$0.000261
\$1.00	=	KR3,835

## ABBREVIATIONS

ADB	–	Asian Development Bank
GDP	–	gross domestic product
ha	–	hectares
MAFF	–	Ministry of Agriculture, Forestry and Fisheries
NGO	–	nongovernment organization
SSTD	–	Second Socioeconomic Development Plan
TA	–	technical assistance

## NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars

## I. INTRODUCTION

1. Under the first Agriculture Sector Program,<sup>1</sup> the Government of Cambodia successfully introduced policy and institutional reform measures to promote market-based development of the agriculture sector, which was under a centrally planned regime until the early 1990s. To further promote agricultural growth within a market-oriented policy framework, the Government requested the Asian Development Bank (ADB) for technical assistance (TA) to formulate a detailed proposal for an agriculture sector development program. In response to the request, ADB fielded a project-specific Contact Mission in March 2001 and a TA Fact-Finding Mission in May 2001. The Missions met with the representatives of Government agencies, the private sector including nongovernment organizations (NGOs), and bilateral and multilateral funding agencies in Cambodia. The TA Fact-Finding Mission visited the prospective areas in the southern and southwestern regions of the country, and prepared an initial social assessment.<sup>2</sup> This paper was prepared from the Missions' findings and subsequent understanding with the Government. The TA is included in ADB's country assistance plan for 2001.<sup>3</sup>

## II. BACKGROUND AND RATIONALE

2. Cambodia is one of the lowest-income countries in the world. Its gross domestic product (GDP) per capita is estimated at \$255 (provisional estimate for 2000). In terms of social capacity for human development, Cambodia is in the lowest tier of the medium human development category and ranked 136th, with its human development index estimated at 0.512.<sup>4</sup> At present, it is estimated that 36 percent of the country's population is below the poverty line,<sup>5</sup> and about 90 percent of the poor population live in rural areas. It is also believed that a large proportion of the rural population live near the poverty line, and poverty is most prevalent among the vulnerable groups of people affected by the long civil conflict: internally displaced people, returned refugees, and war widows. Given the high incidence of rural poverty, agriculture has an important role to play in reducing poverty and improving the capacity for human development.

3. In Cambodia, agriculture accounts for about 40 percent of the national GDP, and employs about 80 percent of the total workforce. Rural income is primarily generated from agriculture, which is dominated by rice production. About 2.16 million hectares (ha) or about 90 percent of the total cropped area of 2.42 million ha is planted to rice. Other major agricultural crops are maize (60,000 ha), soybean (35,000 ha), vegetables (31,000 ha), and mung bean (27,000 ha). Despite the importance and potential of agriculture, its growth during the 1990s has been rather sluggish and has widely fluctuated due to its heavy dependence on rainfed rice cultivation and irregular weather conditions. Crop yields have not shown significant increases. The country's average paddy yield was estimated at 1.9 tons per ha in 1999, the lowest in Southeast Asia. Agriculture in Cambodia is generally subsistence-oriented and continues to be characterized by a large number of small farm holdings without secure access to productive resources. During the First Socioeconomic Development Plan (1996-2000),<sup>6</sup> the average growth

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<sup>1</sup> Loan 1445-CAM(SF): *Agriculture Sector Program*, for \$30 million, approved on 20 June 1996. The loan was closed on 5 September 2000 with the release of the second and final tranche, amounting to about \$13.5 million.

<sup>2</sup> The initial social assessment is available on request.

<sup>3</sup> The TA first appeared in *ADB Business Opportunities* (Internet) on 2 April 2001.

<sup>4</sup> United Nations Development Programme. 2000. *Human Development Report*. New York.

<sup>5</sup> Based on a consumption-based poverty line defined as adequate income to purchase a daily 2,100-calorie food basket plus an allowance for nonfood expenditure. *Country Assistance Plan (2001-2003)* for Cambodia.

<sup>6</sup> The Royal Government of Cambodia. 1997. *First Five-Year Socioeconomic Development Plan 1996-2000*. Phnom Penh.

of agriculture was about 2.0 percent per annum, which was far below the plan target of 5.2 percent per annum, and had no substantial impact on poverty reduction in rural areas.

4. The first Agriculture Sector Program (footnote 1) introduced a number of reform measures to establish a policy and institutional framework for market-based agricultural growth, including (i) revising the 1992 Land Law for improved security in land tenure and ownership; (ii) using the mass media to provide better access to agricultural technology and market information; (iii) reorganizing a public corporation for agricultural inputs and establishing an office to regulate the quality of such inputs in the market; (iv) implementing a divestment plan for state-owned rubber estates; (v) formulating a rural finance policy and strategy to provide a basis for rural finance development; and (vi) decentralizing development activities and funding effective use of budgetary resources. Except for the revision of the Land Law, these measures were mostly implemented by the end of 1998. The program completion report is scheduled for early 2002.

5. Although the first Agriculture Sector Program was successfully implemented, the Government recognizes that the reform measures needed deepening to accelerate agricultural growth. The Land Law was revised in July 2000 in an effort undertaken in close coordination among ADB, other external funding agencies, and NGOs, and approved by the National Assembly in July 2001. Subsequently, implementing regulations and guidelines need to be prepared under the law. To address the knowledge and technology constraints to higher agricultural productivity, the Government must continue its efforts to update the contents of broadcasting programs for agricultural technology and market information. In keeping with the goals of reorienting public agencies and promoting private sector roles, further restructuring of state corporations and estates is warranted, while regulations and regulatory capacity must be developed to control the quality and safety of agricultural inputs. Further efforts are also needed to develop an institutional environment and administrative capacities that will promote private sector participation in the delivery of training, education, marketing, and financial services.

6. Under the forthcoming Second Socioeconomic Development Plan (SSDP, 2001-2005), the Government aims to transform agriculture into a driving force to achieve higher economic growth for the national economy and reduce the incidence of rural poverty. The public investment program of the Government covering the period 2001-2003 is expected to allocate to agriculture \$210.2 million or about 13 percent of the total program amount. Major objectives of this plan are to (i) maintain a liberal and market-oriented trade environment; (ii) deregulate the exportation of agricultural products by removing unnecessary internal regulatory constraints and introducing effective licensing and registration; (iii) develop agricultural quality standards by encouraging investment in appropriate infrastructure and facilities for postharvest handling, storage, and processing; and (iv) establish appropriate commercial laws and institutional arrangements for efficient and cost-effective market transactions.<sup>7</sup> To further promote agricultural growth within a market-oriented policy framework, the Government wishes to continue, with ADB's assistance, its policy and institutional reform measures introduced under the first Agriculture Sector Program, and address critical issues restricting the sector's performance: lack of effective agricultural research and extension services for promoting commercial agriculture, lack of consistent regulations for land administration, lack of quality standardization of agricultural inputs and outputs in the market, and the weak capacity and resources at central- and local-level institutions in agriculture.

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<sup>7</sup> The Ministry of Planning, the Royal Government of Cambodia. March 2001. *The Second Five-Year Socioeconomic Development Plan 2001-2005 (Draft)*. Phnom Penh.

7. ADB's sector strategy is to help achieve the Government's development objectives through enhanced agricultural productivity in line with the SSDP of the Government (para. 6). ADB's strategy also aims to promote private sector participation in agriculture, and increase awareness and knowledge among the rural poor, women, and vulnerable groups to participate in agricultural development and to gain better access to productive opportunities. The TA is essential in formulating the program, which will contribute to promoting market-oriented agricultural growth in Cambodia in line with ADB's operational strategy. Complementarity and synergy with projects and programs of ADB and other external funding agencies will be fully considered under the TA.

8. Based on ADB's operational experience in Cambodia, it is essential to involve a wide range of stakeholders, including external funding agencies and NGOs, in preparing and implementing development activities. Stakeholder participation in planning and implementation is an integral part of ADB's operations for agriculture and rural development. The recently established subgroup of external funding agencies in agriculture and food security, which is cochaired by ADB and the Food and Agriculture Organization of the United Nations, will facilitate implementation of the TA.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Objective**

9. The TA will assist the Government in preparing a detailed proposal for an agriculture sector development program in Cambodia, which aims to reduce poverty in the rural areas through faster agricultural growth.

#### **B. Scope**

10. The TA will (i) conduct an analytical review of agriculture sector performance, including gender issues, and assess the potential for agricultural growth in the medium term; (ii) formulate medium-term policy and institutional reform measures to be implemented under the ensuing program; (iii) prepare a detailed investment proposal suitable for possible ADB financing; (iv) evaluate past and ongoing external assistance in agriculture and rural development in the country, and lessons learned; (v) conduct necessary institutional, environmental, and social assessments for the proposed reform measures and the investment component; (vi) identify measures to prevent or mitigate any adverse environmental and social impact and risks associated with the program; and (vii) examine financial and economic costs and benefits, and risks involved in the proposed investment. The outline terms of reference for consultants are in Appendix 1.

11. The ensuing sector development program will be a combination of policy and investment-based assistance, and will aim at (i) facilitating the policy and institutional reform measures introduced under the first Agriculture Sector Program; (ii) developing domestic and external markets for agrobased products by establishing comparative and competitive advantages, and by removing internal regulatory constraints; (iii) building the capacities of agriculture institutions with clear demarcation of responsibilities in service delivery; (iv) assessing the potential for crop diversification and intensification based on agroclimatic, economic, and market considerations for domestic consumption and exports, and recommending measures to overcome constraints; and (v) promoting gender-differentiated approaches to agriculture and enhancing women's participation.

12. The investment component of the program will complement the efforts being made by other external funding agencies, and help build the capacity of public service delivery systems; the formation and strengthening of farmer groups, including the existing savings and credit groups, water user groups, and women and youth groups; promote private service providers in agricultural research and extension; and improve agricultural marketing infrastructure and postharvest technology. To be assessed during the TA are poverty-stricken areas in 11 provinces and municipalities in the southern and southwestern regions of the country,<sup>8</sup> which were identified on the basis of (i) the expected impact of agricultural growth on poverty reduction, (ii) growth potential and accessibility, (iii) capability of local institutions, and (iv) possible linkages and complementarity with other development activities, particularly ADB's ongoing Rural Infrastructure Improvement Project.<sup>9</sup> The area under the investment component will be determined based on the TA findings. The Government has been informed that ADB's approval of the TA does not commit ADB to finance the ensuing program.

13. Further decentralization of administrative responsibilities to local communes<sup>10</sup> is expected under the Bill on the Administration and Management of Communes, which was approved by the Government in early 2001 and broadly defines the nature, functions, and powers of commune councils. Local communes will become increasingly important in facilitating the delivery of agricultural support services, and in promoting the participation of local communities in planning and implementing development activities. The implications of enhanced decentralization will be fully considered under the TA.

### **C. Cost Estimates and Financing Plan**

14. The TA is estimated to cost \$710,000 equivalent, comprising \$488,000 in foreign exchange costs and \$222,000 equivalent in local currency costs. ADB will provide \$600,000 to finance the entire foreign exchange costs and a part of the local currency costs, amounting to \$112,000 equivalent. The TA will be financed by ADB on a grant basis from the Japan Special Fund, funded by the Government of Japan. The balance of the local currency costs, amounting to \$110,000 equivalent, will be met by the Government to cover office accommodations, counterpart staff support, facilities for seminars and meetings, and other administrative expenses at the central and provincial levels. A Government representative will be invited as an observer for TA contract negotiations. The detailed cost estimates are in Appendix 2.

### **D. Implementation Arrangements**

15. The Executing Agency for the TA will be the Ministry of Agriculture, Forestry and Fisheries (MAFF), which will establish a TA implementation unit, and appoint a program director and a full-time counterpart staff attached to the unit. The Government will reestablish an inter-ministerial program secretariat<sup>11</sup> before TA inception to ensure effective interactions and coordination among the relevant ministries. The program director will head the program secretariat.

<sup>8</sup> The provinces of Kompong Cham, Prey Veng, Svay Rieng, Pursat, Kompong Chhnang, Kompong Speu, Koh Kong, Kampot and Takeo, and the municipalities of Kep and Sihanoukville.

<sup>9</sup> Loan 1385-CAM(SF): *Rural Infrastructure Improvement Project*, for \$25.1 million, approved on 28 September 1995. This covers six provinces in the country's southern and southwestern regions.

<sup>10</sup> There are 1,609 communes in the country. Population in one commune varies widely depending on the location, but is considered to be in the range of 5,000-9,000.

<sup>11</sup> The composition of the present program secretariat established under the first Agriculture Sector Program will be revised, and include at least MAFF; the Ministry of Economy and Finance; the Ministry of Rural Development; the Ministry of Land Management, Urban Planning and Construction; the Ministry of Water Resources and Meteorology; the Ministry of Commerce; the Ministry of Interior; and the Ministry of Women's and Veterans' Affairs.

16. The TA will be carried out over six months from January to July 2002. Three tripartite review meetings involving the Government, TA consultants, and ADB will be organized to review implementation progress and resolve any outstanding policy and implementation issues. The consulting services required under the TA are estimated at 16 person-months of international consultants and 11 person-months of domestic consultants. Areas of expertise, with person-months in parentheses, comprise agricultural policy (international, 6), agricultural marketing (international, 2), agricultural extension (domestic, 3), institutional assessment (international, 2), law (domestic, 2), environmental impact assessment (domestic, 4), social and gender analysis (international, 3), community development (domestic, 2), and financial and economic analyses (international, 3). The agricultural policy specialist, who will be the team leader, will work full-time during the whole TA period. An international consulting firm will provide all the international and domestic consulting services required for the TA. The consultants will be selected and engaged in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants. The technical proposals invited from the shortlisted consulting firms will be in ADB's simplified formats. The consultant will purchase the necessary office equipment in accordance with ADB's *Guidelines for Procurement*. Equipment procured under the TA will be handed over to the Government at TA completion.

17. The consultant will prepare (i) an inception report including a detailed work program for the TA, to be submitted within three weeks of the start of the TA and to be discussed at the initial tripartite review meeting; (ii) an interim report, presenting a preliminary program proposal based on the TA's interim results, to be submitted within three months of the TA and to be discussed at consultation meetings in the proposed area for the investment component and at the interim tripartite review meeting; (iii) a draft final report at least one month before the completion of the TA and to be discussed at the final tripartite review meeting; and (iv) a final report upon completion of the TA. The TA will be implemented in close consultation with major stakeholders in the sector, including Government representatives, farmer groups, NGOs, private traders, and external funding agencies. For this purpose, the consultant will organize and conduct a series of consultation meetings to obtain views of key stakeholders on the TA activities and the ensuing program. National seminars will be organized before the TA's interim and final tripartite review meetings.

#### **IV. THE PRESIDENT'S DECISION**

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, to the Government of Cambodia in an amount not exceeding the equivalent of \$600,000 for the purpose of preparing the Agriculture Sector Development Program, and hereby reports such action to the Board.

## **OUTLINE TERMS OF REFERENCE FOR CONSULTING SERVICES**

### **A. General**

1. Technical assistance (TA) activities will be implemented in three phases: (i) analytical review of the agriculture sector and consultation meetings with key stakeholders; (ii) formulation of the ensuing sector development program, including policy and investment components; and (iii) consensus building and initial implementation of the identified reform measures.

#### **1. Analytical Review and Stakeholder Consultation**

2. During the first phase, the consultants will assess the current situation of the overall economy and the agriculture sector, building on past studies and reports of the Asian Development Bank (ADB) and other external funding agencies.<sup>1</sup> Relevant socioeconomic data and information relating to agriculture and rural development – poverty incidence, land-use patterns, gender, and rural livelihoods – will be collected. Important lessons learned from past projects in the sector, including the first Agriculture Sector Program,<sup>2</sup> will be taken into account. A series of field surveys and consultation meetings will be carried out at the central, provincial, commune, and village levels, with particular focus on the areas to be proposed for the investment component of the program.

#### **2. Formulation of the Program**

3. In the second phase, the consultants will identify critical legal, regulatory, and institutional issues of the sector based on the findings during the first phase, and formulate specific reform measures into a matrix to be considered in dialogue with the Government in conjunction with the program. The proposed reform measures should cover the next five years and be concrete in timing, required actions, and relevant rules and regulations. In formulating the reform measures, the consultants will consult closely with the Government, external funding agencies, and the private sector, including nongovernment organizations (NGOs). The expected environmental and social impact of the proposed reform measures and investment proposal will be assessed, and specific means to mitigate their possible adverse impact identified.

#### **3. Consensus Building and Initial Program Implementation**

4. During the third and final phase, the consultants will help formulate consensus on the proposed reform measures among key stakeholders through consultation meetings and seminars, and assist the Government in initiating implementation of the measures and in establishing an appropriate institutional mechanism to monitor the progress.

### **B. Specific Work Assignments for Consultants**

5. The specific work assignments of the individual consultants follow. The category and the number of person-months are in parentheses.

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<sup>1</sup> Such studies include (i) Australian Agency for International Development. April 1998. *Cambodia: Agriculture Sector Study and Project Identification*; (ii) Food and Agriculture Organization of the United Nations. May 2000. *Agriculture Strategies and Policy Framework for Sustainable Food Security and Poverty Alleviation*; and (iii) studies being carried out in conjunction with the World Bank's Agriculture Productivity Improvement Project.

<sup>2</sup> Loan 1445-CAM(SF): *Agriculture Sector Program*, for \$30 million, approved on 20 June 1996. The loan was closed on 5 September 2000 with the release of the second and final tranche, amounting to about \$13.5 million.

- 1. Agricultural Policy Specialist and Team Leader (international, 6).** The specialist will
  - (i) organize and lead a series of consultation meetings and seminars at each phase of the TA; and ensure participation of key stakeholders: the relevant Government agencies, external funding agencies, private business, and NGOs;
  - (ii) examine past and ongoing projects in agriculture financed by ADB and other external funding agencies, and identify useful lessons to be considered in formulating the program;
  - (iii) examine and list ongoing and planned agriculture and rural development projects in Cambodia, and ensure complementarity and synergy of the program with those projects in view of the sector strategies of the Government, ADB, and other external funding agencies;
  - (iv) conduct a cause-and-effect analysis for agriculture by preparing a relevant problem tree and a logical framework; and formulate specific reform measures to address legal, regulatory, and institutional issues in line with the Government's Second Socioeconomic Development Plan, and to facilitate the policy and institutional reform measures introduced under the first Agriculture Sector Program;
  - (v) assess macroeconomic conditions and other external factors, and ensure proper sequencing of policy actions for the proposed policy matrix;
  - (vi) examine, in collaboration with other specialists of the consultant team, the potential for crop intensification and diversification after considering agronomic, economic, and marketing factors; and assess the country's comparative and competitive advantages in important cereal and high-value crops in the country, including leguminous crops, spices, vegetables, and fruits;
  - (vii) examine farmers' access to agricultural inputs, education, training, mechanization, rural finance and marketing; and identify and recommend specific measures to promote better access to these resources, information, and technology;
  - (viii) determine an appropriate scope, and specific provinces and areas for the investment component of the program; and
  - (ix) lead the consultant team in preparing the investment component of the program and conduct a detailed feasibility study by assessing the technical, environmental, social, financial, and economic viability of the proposed investment component.
  
- 2. Agricultural Marketing Specialist (international, 2).** The specialist will
  - (i) examine the domestic and external market chains of agricultural inputs and outputs, agro-based products, and livestock and fisheries products; and identify key bottlenecks and constraints by tracing the supply and marketing channels;
  - (ii) assess the availability and quality of the existing market information system, including the mass media; and recommend specific measures to improve the system for more effective dissemination of accurate and updated information on market conditions in various parts of the country;
  - (iii) assess the marketing potentials of important cereal and high-value crops, and agro-based products through interactions with farmers, traders, and millers, and in view of the internationally required quality and safety standards;
  - (iv) identify issues of agricultural marketing and agribusiness, including the overall legislative, regulatory, and institutional framework for promoting external and domestic markets, and the availability and quality of the existing local markets, collection centers, and storage and processing facilities;

- (v) identify and recommend appropriate measures and facilities to improve agricultural marketing systems and quality of products and inputs; and
- (vi) examine areas where the prospects for agribusiness development exist, and recommend specific steps to be taken under the program.

**3. Agricultural Extension Specialist (domestic, 3).** The specialist will

- (i) review the ongoing agricultural extension systems and their performance in the provinces where the investment component of the program is proposed; and recommend, in coordination with the projects of other external funding agencies and NGOs, measures to strengthen the capabilities of existing farmer groups and promote the formation of new groups, involving private service providers;
- (ii) assess the operational linkage between agricultural research and extension in the proposed area for investment; identify constraints to effective dissemination of improved agricultural technology and inputs; and recommend specific measures to remove such constraints and establish client-oriented agricultural research and extension services, including those targeting women; and
- (iii) examine the present system for disseminating agricultural technology information through mass media, the capabilities of the provincial agricultural service centers, and the training and educational needs of extension staff and farmers; and incorporate into the investment component of the program specific measures to strengthen technical capabilities and broaden knowledge.

**4. Institutional Assessment Specialist (international, 2).** The specialist will

- (i) examine the current institutional framework of the agriculture sector, including the mandate of the central and provincial departments of the Ministry of Agriculture, Forestry and Fisheries, the demarcation of responsibilities among relevant ministries in agricultural support services, and the need for increased involvement of farmer groups, associations, private sector organizations, and other local stakeholders;
- (ii) identify and assess institutional issues in the sector, including the implementation of reform measures initiated by the first Agriculture Sector Program for the Agricultural Inputs Company, the state-owned rubber estates, and the Bureau of Agricultural Materials Standards;
- (iii) review the planning process and procedures for public expenditures in the agriculture sector; and propose measures for improving linkage between planning and implementing agricultural projects and programs;
- (iv) identify and recommend specific measures for good governance and human resource development in central and local agricultural institutions, considering the Government's program for enhanced decentralization and deconcentration, and primary developmental roles of local communes;
- (v) formulate, for the investment component of the program, appropriate and effective implementation arrangements, which should be well focused; and prepare an organization chart for implementing the component with due consideration for the capabilities of the Executing Agency, other participating institutions, and the prospective beneficiaries; and
- (vi) estimate the requirements for effectively implementing the program in areas of capacity building (staff training, and the provision of physical facilities, and consulting services) and management support; and incorporate such requirements in the design of the program.

- 5. Environmental Impact Assessment Specialist (domestic, 4).** The specialist will
- (i) examine environmental issues related to the program, including the farmers' use of agrochemicals and genetically modified crops, expansion of groundwater irrigation facilities, and possible risk of unexploded ordnance in the investment component;
  - (ii) prepare an initial environmental examination report in accordance with ADB's *Environmental Assessment Requirements and Environmental Review Procedures*, and *Environmental Guidelines for Selected Agriculture and Natural Resources Development Projects*, and the Government's environmental regulations;
  - (iii) prescribe measures to enhance environmental benefits or minimize the likely adverse impact of the program on environment; and incorporate such measures in the program design in line with ADB's operational guidelines; and
  - (iv) identify medium- to long-term environmental concerns in agriculture, and recommend effective measures to address such concerns.
- 6. Law Specialist (domestic, 2).** The specialist will
- (i) examine and identify, in collaboration with other specialists of the consultant team, important legal and regulatory issues relevant to the program, including the issues on land legislation and titling,<sup>3</sup> agricultural inputs, genetically modified crops, and decentralization of agricultural service delivery systems; and
  - (ii) incorporate in the matrix of the program appropriate legal and regulatory measures for resolving such issues.
- 7. Social and Gender Analysis Specialist (international, 3).** The specialist will
- (i) review the initial social assessment conducted during TA fact-finding; and carry out a detailed social and poverty analysis, including assessments of social costs and safety nets related to the proposed policy and institutional reforms under the program, in accordance with ADB's *Handbook for Poverty and Social Analysis* (draft), *Handbook for Incorporation of Social Dimensions in Projects*, *Gender Checklist in Agriculture*, and other relevant social policies and guidelines of ADB;
  - (ii) analyze the differentiated impact of the proposed reform measures under the program on various socioeconomic groups by income and poverty levels, gender, ethnicity, and other vulnerability criteria; identify key social risks and adverse impact; and recommend measures to avoid or mitigate them;
  - (iii) establish benchmark and design an appropriate system for monitoring and evaluating the program;
  - (iv) for the investment component, identify key socioeconomic profiles of the prospective beneficiaries by income and poverty levels, gender, ethnicity, and other factors, their differentiated roles, needs, constraints, affordability, and absorptive capacity; identify and assess the capacity of local institutions and intermediary organizations that could facilitate the intended service delivery; and recommend appropriate measures for effective implementation; and
  - (v) work closely with the Ministry of Women's and Veterans' Affairs to ensure gender issues are fully addressed under the program, including building the capacity of the Ministry of Women's and Veterans' Affairs in agriculture and rural development and of other agencies in their sector activities.

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<sup>3</sup> Close collaboration needs to be ensured with ADB's ongoing TA 3577-CAM: *Implementation of Land Legislation*, for \$600,000, approved on 13 December 2000; and the World Bank's proposed Land Management and Administration Project.

- 8. Community Development Specialist (domestic, 2).** The specialist will
- (i) organize and facilitate, in collaboration with the agricultural policy specialist, a series of consultation meetings, seminars and field surveys; and ensure that the views of key stakeholders are properly reflected in the TA activities and reports;
  - (ii) recommend appropriate measures to facilitate active participation of important stakeholders in implementing the ensuing program;
  - (iii) develop a database of NGOs and other civil society organizations, and the private sector enterprises that are engaged in agricultural extension services and agribusiness development; and
  - (iv) disseminate to key stakeholders important findings of the TA through consultation meetings and seminars for building consensus on the program.
- 9. Financial and Economic Analyses Specialist (international, 3).** The specialist will
- (i) assess the fiscal requirements for implementing reform measures proposed under the program;
  - (ii) assist the social and gender analysis specialist in conducting the poverty impact assessment of the proposed reform measures following ADB's *Guidelines for the Assessment of the Impact of Program Loans on Poverty*;
  - (iii) prepare the detailed cost estimates in COSTAB formats in accordance with ADB's standard practices for the investment component of the program, and propose financing arrangements satisfactory to the Government and ADB;
  - (iv) conduct financial and economic analyses of the program, including distribution and sensitivity analyses, in accordance with ADB's *Guidelines for the Economic Analysis of Projects*, and estimate the financial and economic internal rates of returns, net present values, and cost-benefit ratios for the investment component;
  - (v) examine typical cropping, and income and expenditure patterns of farm households with marginal, small, medium, and large landholdings in the proposed areas for the investment component, and conduct a farm household income analysis for these types of households;
  - (vi) establish specific performance indicators of the program, expressed in quantitative terms, and incorporate such indicators into the proposed logical framework based on the assessment of the anticipated impact in terms of its contribution in achieving the sector goals and objectives; and
  - (vii) identify possible risks involved in implementing the program, particularly in terms of the program's effectiveness and sustainability; and recommend an appropriate course of actions and measures for minimizing such risks.

**COST ESTIMATES AND FINANCING PLAN**  
(\$)

Item	Foreign Exchange	Local Currency	Total Cost
<b>A. ADB Financing (JSF financing)</b>			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	416,000	0	416,000
ii. Domestic Consultants	0	55,000	55,000
b. International and Local Travel <sup>a</sup>	16,000	18,000	34,000
c. Reports and Communications	5,000	0	5,000
2. Equipment <sup>b</sup>	4,000	0	4,000
3. Meetings and Seminars <sup>c</sup>	0	8,000	8,000
4. Field Surveys <sup>d</sup>	0	10,000	10,000
5. Miscellaneous Administrative Costs <sup>e</sup>	0	8,000	8,000
6. Representative for Contract Negotiations <sup>f</sup>	3,000	0	3,000
7. Contingencies	44,000	13,000	57,000
<b>Subtotal (A)</b>	<b>488,000</b>	<b>112,000</b>	<b>600,000</b>
<b>B. Government Financing</b>			
1. Office Accommodations	0	36,000	36,000
2. Remuneration and Per Diem of Counterpart Staff	0	18,000	18,000
3. Field Transport	0	6,000	6,000
4. Meeting and Seminar Facilities	0	20,000	20,000
5. Other Administrative Expenses	0	30,000	30,000
<b>Subtotal (B)</b>	<b>0</b>	<b>110,000</b>	<b>110,000</b>
<b>Total</b>	<b>488,000</b>	<b>222,000</b>	<b>710,000</b>

ADB= Asian Development Bank; JSF= Japan Special Fund.

Notes:

- <sup>a</sup> Including costs for hiring vehicles and motorcycles, and domestic airfares.
- <sup>b</sup> Including procurement of two computers and one printer.
- <sup>c</sup> Including costs for a series of consultative meetings in the proposed project area.
- <sup>d</sup> Local subcontracts for surveys, including expenses for enumerators.
- <sup>e</sup> Including office utilities and supplies, and secretarial expenses.
- <sup>f</sup> Travel expenses for inviting one representative of the Executing Agency for contract negotiations.

Source: Staff estimates.