



Project Data Sheet

Project 48409-002

Project Name	Climate-Friendly Agribusiness Value Chains Sector Project
Project Number	48409-002
Country / Economy	Cambodia
Project Status	Active
Project Type / Modality of Assistance	Grant Loan

Grant 0579-CAM: Climate-Friendly Agribusiness Value Chains Sector Project

Green Climate Fund	US\$ 30.00 million
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Loan 3661-CAM: Climate-Friendly Agribusiness Value Chains Sector Project

Source of Funding / Amount

Concessional ordinary capital resources lending	US\$ 90.00 million
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Loan 8346-CAM: Climate-Friendly Agribusiness Value Chains Sector Project

Green Climate Fund	US\$ 10.00 million
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Strategic Agendas
Environmentally sustainable growth
Inclusive economic growth
Regional integration

Drivers of Change
Gender Equity and Mainstreaming
Governance and capacity development
Knowledge solutions
Partnerships
Private sector development

Sector / Subsector
Agriculture, natural resources and rural development / Agricultural policy, institutional and capacity development - Agricultural production - Agro-industry, marketing, and trade - Irrigation - Rural market infrastructure - Rural solid waste management

Gender
Effective gender mainstreaming

Description

The proposed project supports fulfilling the government's Agriculture Sector Strategic Development Plan and the Industrial Development Policy, by improving the competitiveness of agribusiness value chains in Kampong Cham and Tboung Khmum provinces along the Greater Mekong Subregion (GMS) southern economic corridor, and in Kampot and Takeo provinces along the south coastal economic corridor. The project will boost the climate resilience of critical agricultural infrastructure and help commercialize rice, maize, cassava, and mango production. It will help increase crop productivity and diversification; improve the capacity for storage, processing, and quality and safety testing; and promote the use of solar and bioenergy. It will strengthen the technical and institutional capacity for climate-smart agriculture (CSA) and create an enabling policy environment for climate-friendly agribusinesses. This will in turn promote long-term environmental sustainability and enhance the profitability for farmers and agribusinesses.

Project Rationale and Linkage to Country/Regional Strategy

Agriculture including processing, transportation, and trade of farm products is crucial for the Cambodian economy, still accounting for 33.7% of the nation's gross domestic product. Crop production is the largest contributor (59.4%) to the sector's gross domestic product. Agriculture grew at 4.5% per annum during 2008-2012, driven by the expansion of cultivated land and high prices of farm products, but it slowed down during 2013-2016 (0.9% per annum) because of the loss of those drivers, extreme weather events, and rapid growth in other sectors, such as industry and services. The transition from a traditional subsistence to a modern commercial agriculture sector is slow.

The government's Agriculture Sector Strategic Development Plan, 2014-2018 aims to enhance the competitiveness of the sector through greater agricultural productivity (intensification), diversification, and commercialization. Measures include the (i) expansion of agricultural extension services, improvement of seed quality to respond to market needs, and better postharvest technology; (ii) creation of an enabling environment for the private sector and adoption of good agricultural practices; (iii) strengthening of policies that will support agricultural businesses and exports, and improve product quality and standards (e.g., sustainable rice platform); (iv) bolstering of the analytical capacity of the National Agricultural Laboratory; (v) rehabilitation of the infrastructure of state farms and agricultural development centers; (vi) implementation of the strategy and action plan for climate change adaptation and mitigation; and (vii) promotion of private investment in agriculture through PPPs. The government also promotes biogas and bioenergy consumption; a priority in the government's Intended Nationally Determined Contribution.

Impact

Agricultural competitiveness improved (Agriculture Sector Strategic Development Plan, 2014-2018)

Project Outcome

Description of Outcome

Productive and resource-efficient agribusiness value chains developed in project areas.

Progress Toward Outcome

Feasibility studies and detailed engineering design for productive and resource-efficient agribusiness value chain infrastructure subprojects (e.g., irrigation schemes, farm roads, agricultural cooperatives, bioenergy) are ongoing.

Implementation Progress

Description of Project Outputs	<p>Critical agribusiness value chain infrastructure improved and made climate-resilient. Climate-smart agriculture and agribusiness promoted. Enabling environment for climate-friendly agribusiness enhanced.</p> <p>Project implementation consultants (CS1), climate-smart agribusiness and capacity building consultants (CS2), and feasibility and detailed engineering design consultants (CS5) were mobilized between September and November 2019. Inception mission was completed in Jan 2020. The project still continues to experience a high turnover of consulting experts, thereby adversely affecting the project implementation, especially under CS2, where several experts remain to be unfilled. Several activities were affected by COVID-19 (since March 2020), including timely mobilization of international experts and the conduct of in-person training activities. Bidding for the 1st irrigation subproject (Trapaing Run) was completed and bid evaluation report is being reviewed for award. Additional subprojects identified as follows: Survey for 10 irrigation subprojects (first batch) ongoing. Detailed survey and design are ongoing for 8 roads in four provinces (with about 72 kilometers). First bidding document submitted to ADB for review. Work plan for installing bio-digesters under the National Bio-digester Programme Office & the provincial departments of agriculture, forestry and fisheries (PDAFFs) initiated. Plans for formation of 10 farmer water user communities (FWUCs) were submitted to MEF for review. FWUC formulation and training materials developed.- One mechanization workshop identified.- 20 agriculture cooperatives identified and preliminary design in progress. Bidding documents submitted to ADB for review.- Design of 500 biodigesters and 250 compost huts ongoing. Bidding document under preparation for submission to ADB by Q4 2020.- Bidding document for the renovation of PADC submitted to ADB for review. Mobilization of Variety Development consulting firm is expected by Q4 2020. A workshop on rice was conducted on 10 March 2020. Training materials for effective management of agricultural cooperatives focusing on accounting, agribusiness, cooperative management, operation and maintenance of storage facilities, are being developed.</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Kampong Cham Province, Kampot Province, Takeo, Tboung Khmum

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	The project is categorized as B. It is expected to achieve significant environmental benefits, including substantial reduction of GHG emissions, improved resilience and increased crop diversity in the project areas.
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Involuntary Resettlement The project is categorized as B for involuntary resettlement. The project will not finance any category A subprojects. During project preparation, some irrigation subprojects were identified that would require acquisition of small strips of land to accommodate improvement of distribution canals. These small strips of land may be acquired through negotiated settlement based upon the market value of the asset. In some cases, and in order to secure the subproject, it is possible that some HHs may voluntarily donate small strips of land in order to secure a clear benefit. However, given that some subprojects will only be prepared after ADB Board approval, involuntary resettlement impacts cannot be ruled out at this stage.

Indigenous Peoples The project is categorized as B. There were no indigenous peoples or ethnic minorities in areas of the representative subprojects. However, there are some ethnic minorities living in project provinces and districts who could be impacted by subprojects identified during project implementation. An Ethnic Minority Development Framework (EMDF) has been prepared that will ensure inclusion and full consultation and participation of ethnic minority households and communities.

Stakeholder Communication, Participation, and Consultation

During Project Design Consultations with government staff, private sector and development partners in four target provinces (Kampong Cham, Tbong Khmum, Kampot and Takeo) were conducted from November 2015 to June 2016. A workshop was held in Phnom Penh on 16 February 2016 to identify opportunities and challenges for effective private sector involvement in inclusive agribusiness value chains of 4 target provinces. Feasibility studies on maize, rice and cassava involved consultation with several local stakeholders. Interim workshop took place in June 2016 to receive feedback from stakeholders. A mission was fielded from 9 to 11 Jan 2017 to consult with the government representatives, civil society organizations and development partners regarding project design and implementation arrangements. Fact-finding mission followed from 16 to 25 Jan 2017.

During Project Implementation The project became effective on 1 October 2018. A stakeholder communication strategy was prepared to ensure that vulnerable groups, such as the poor and female-headed households, who risk marginalization, are provided with opportunities for receiving timely information, and can provide feedback during project implementation. Project implementation consultants are expected to be on board on 1 October 2019, and they will continue stakeholder consultations throughout project implementation.

Responsible ADB Officer Ancha, Srinivasan

Responsible ADB Department Sectors Group

Responsible ADB Division Agriculture, Food, Nature, and Rural Development Sector Office (SG-AFNR)

Executing Agencies *Ministry of Agriculture, Forestry & Fisheries*

Timetable

Concept Clearance	12 May 2015
Fact Finding	09 Jan 2017 to 25 Jan 2017
MRM	26 Mar 2018
Approval	29 Jun 2018

Last Review Mission -

Last PDS Update 30 Sep 2020

GrantÂ 0579-CAM

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Jun 2018	06 Jul 2018	28 Mar 2019	31 Mar 2025	30 Sep 2026	-

Financing Plan

Grant Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	33.66	Cumulative Contract Awards			
ADB	0.00	24 Oct 2023	0.00	7.36	25%
Counterpart	3.66	Cumulative Disbursements			
Cofinancing	30.00	24 Oct 2023	0.00	5.29	18%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory

LoanÂ 3661-CAM

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Jun 2018	06 Jul 2018	01 Oct 2018	31 Mar 2025	30 Sep 2026	-

Financing Plan

Loan Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	90.00	Cumulative Contract Awards			
ADB	90.00	24 Oct 2023	45.04	0.00	50%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	24 Oct 2023	26.99	0.00	30%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory

LoanÂ 8346-CAM

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Jun 2018	06 Jul 2018	28 Mar 2019	31 Mar 2025	30 Sep 2026	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	10.00	Cumulative Contract Awards			
ADB	0.00	24 Oct 2023	0.00	3.87	39%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	10.00	24 Oct 2023	0.00	1.77	18%

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