## Cambodia: Improving Market Access for the Poor in Central Cambodia

<table>
<thead>
<tr>
<th><strong>Project Name</strong></th>
<th>Improving Market Access for the Poor in Central Cambodia</th>
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<tbody>
<tr>
<td><strong>Project Number</strong></td>
<td>44363-012</td>
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<tr>
<td><strong>Country</strong></td>
<td>Cambodia</td>
</tr>
<tr>
<td><strong>Project Status</strong></td>
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<tr>
<td><strong>Project Type / Modality of Assistance</strong></td>
<td>Grant</td>
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| **Source of Funding / Amount** | Grant 9156-CAM: Improving Market Access for the Poor in Central Cambodia  
Japan Fund for Poverty Reduction  
US$ 1.90 million |

### Strategic Agendas
- Inclusive economic growth

### Drivers of Change
- Governance and capacity development
- Partnerships

### Sector / Subsector
- Industry and trade - Small and medium enterprise development

### Gender Equity and Mainstreaming
- Gender equity

### Description
ADB's Country Strategy and Program (CSP) in Cambodia supports the Government's commitment to pro-poor, private-sector-led inclusive economic growth by financing investments in human resources, agriculture, infrastructure and women's empowerment. The Country Operations Business Plan (COBP) 2009-2012 is geographically focused on central Cambodia's Tonle Sap basin where most of the country's rural poor live. It includes four road sector projects that will improve internal connectivity and facilitate access to markets and social services. The project is responsive to the government's request to ADB for increased support to develop agricultural value chains and rural livelihoods that was raised during recent 2011-2013 CPS consultations.

### Impact
Sustainable micro and small enterprise development that supports inclusive, pro-poor economic growth in Central Cambodia.

### Project Outcome
**Description of Outcome**
Increased income and local employment for poor households from the production and sale of quality indigenous crafts and locally processed food.

**Progress Toward Outcome**
The project is on track to achieve its expected outcome of increased income and local employment for poor households from the production and sale of quality Khmer crafts and locally processed food. There has been a modest rise in real income levels (5.6%) and village-based employment (4.1%) and the project is exceeding its targets for number of people trained and percentage of women beneficiaries. According to the midterm poverty and social impact assessment, the poverty-head count in May 2013 is 40% against a baseline of 42%. Data also show that the overall incidence of poverty has declined from the baseline 38% to 32%.

### Implementation Progress
**Description of Project Outputs**
1. Skills and management capacity of micro and small enterprises are enhanced.
2. Craft and local product market, community production centers, and exhibition facilities are developed and operational
3. MSE business support services, networks and marketing strengthened
4. Effective project management, monitoring and audit delivered

### Project Rationale and Linkage to Country/Regional Strategy
ADB's Country Strategy and Program (CSP) in Cambodia supports the Government's commitment to pro-poor, private-sector-led inclusive economic growth by financing investments in human resources, agriculture, infrastructure and women's empowerment. The Country Operations Business Plan (COBP) 2009-2012 is geographically focused on central Cambodia's Tonle Sap basin where most of the country's rural poor live. It includes four road sector projects that will improve internal connectivity and facilitate access to markets and social services. The project is responsive to the government's request to ADB for increased support to develop agricultural value chains and rural livelihoods that was raised during recent 2011-2013 CPS consultations.
Status of Implementation Progress (Outputs, Activities, and Issues)

Implementation of skills training and capacity building programs is highly satisfactory, with over half of all planned activities successfully completed. Support is being extended to 30 producer groups in 11 villages to improve production and market access for 6 product lines that were selected based on value chain analysis conducted shortly after project inception. A total of 852 MSE operators (61% women) have participated in project-supported training, workshops, and seminars on topics such as handicraft design and production, cashew nut/palm sugar processing, food hygiene, and management of business development groups. To date, 26 master trainers (100% women) have been trained on improved production techniques and quality control for silk and cotton textiles, basketry and woven mats. Master trainers are now conducting cascade training for the 15 producer groups involved in weaving activities (textiles, basketry, woven mats). Weavers report a modest increase in the sale of baskets and mats directly to tourists at Sambor Prei Kuk as well as good demand for improved designs at national trade fairs.

Output 2: Development of a Craft and Local Product Market, Community Production Centers and Exhibition Facilities.
Sambor Prei Kuk Market is currently under construction, with physical completion at 95%. The facility is designed in traditional Khmer style and will provide space for approximately 50 vendors, with significant room for expansion. Tathiv Village Cashew Shelling Center is completed and being used by 383 members of the Prasat Sambor Cashew Association. Promotional materials (posters, brochures, labels, etc) for Kampong Thom products have been produced as part of the ‘Ke’ branding initiative. The project team is in the process of installing exhibits at Artisans Association of Cambodia (AAC) displays in Phnom Penh and MOT’s Tourism Information Center in Siem Reap. Both locations receive a high volume of tourists and AAC’s facility provides exposure to national and international craft traders. A new night market is being developed by the project in Kampot Thom Town.

Output 3: Business Support Services, Networking, Marketing and Life Skills.
Implementation of activities to strengthen business support services, networking, and life skills is highly satisfactory. As a result of project-supported training all target villages have established business development groups that offer improved access to village-based credit and support for financial planning. Total revolving capital in village banks has risen significantly, with 97% of all households in the project area reporting that they have access to affordable credit. The project team is steadily rolling out the ‘Ke’ branding initiative in cooperation with the Artisans Association of Cambodia. Other recent accomplishments include: (i) official establishment of the Prasat Sambor Cashew Association, (ii) participation in three national trade shows, and (iii) exchange visits between with the Children’s and Women’s Development Center in Kampot and village focal points. The November 2012 life skills training (financial management and negotiating skills) was attended by 34 (76% women) representatives of weaving business groups.

Output 4: Project Management, Monitoring and Audit.
The project is being effectively managed and supervised by the Ministry of Tourism-based project coordination team (PCT) and a multisector project implementation team (PIT) based in Kampot Thom. The project’s 12 member steering committee (PSC) has met five times since project inception to review project progress, provide policy guidance, and review and approve each semi-annual work plan. Implementing partners and the project’s target villages are broadly represented during planning and review meetings. The project management structure is as envisaged during appraisal. Counterpart contributions to support project staff, office space in the MOT/Kampot Provincial Tourism Department, and other in-kind items such as land and labor have been provided without delay and are satisfactory. Knowledge products such as the baseline study, gender equity and management of business development groups.

Geographical Location

Safeguard Categories

Environment

C

Involuntary Resettlement

C

Indigenous Peoples

C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
The project was designed using a highly participatory approach involving women, men, youth and the elderly to determine the project scope, objectives and implementing arrangements. The design team utilized participatory tools including in-depth interviews and focus group discussions in 11 sample villages to encourage beneficiaries to analyze their current situation and determine their needs and aspirations in respect to local MSE development. A rapid value chain analysis confirmed favorable prospects for the products that could be produced in proposed target areas. Key informant interviews were held with village leaders, local NGO representatives and existing MSE operators in the handicrafts sector. The findings of the consultation and participation process have been incorporated into the project design.

During Project Implementation
Inception workshops were completed at the national, provincial and village level during the first semi-annual project work plan. A total of fourteen women and eight males have been elected as village focal point representatives to coordinate with project counterparts and consultants. Village focal points have participated in subsequent semi-annual project planning and review workshops. The project team has made good efforts to coordinate with a broad range of public and private stakeholders through regular meetings of the Project Steering Committee, and networking with other development partners and civil society. This had led to several fruitful partnerships, notably: (i) JICA will provide the project with a Senior Volunteer to assist with business skills development beginning in 2013; (ii) Waseda University assistance to conduct archaeological surveys and prepare architectural drawings for the Sambo Prei Kuk Market; (iii) Mekong Rain social enterprise provided technical advice on organic certification; (iv) supply contracts have been established with Pursat Women’s Handicraft Association, Mekong Blue, and Mekong Rain; and; (v) successful launch of the Ke’ brand for Cambodian handicrafts in cooperation with Artisans Association of Cambodia. The Stakeholder Communication Plan provides an overview of the project’s key stakeholders and coordination strategy. It can be downloaded at www.samborpreiuk.org. Knowledge products produced by the project also available on the website.

Business Opportunities

Consulting Services
Local NGOs and consultants recruited to assist the Project Coordination Team (PCT) and Project Implementation Team (PIT) with project management, construction design and supervision and implementation of Micro and Small Enterprises (MSE) development activities will be engaged in accordance with ADDB Guidelines on the Use of Consultants (2010 as amended from time to time). Individual consultants and NGO partners will work closely with the PCT and PIT staff to enhance on-the-job training and capacity building.

Procurement
All project procurement will be conducted in accordance with ADDB Procurement Guidelines (2010 as amended from time to time). Goods and services costing less than $10,000 will be procured by the Project Coordination Team (PCT) using direct contracting. Goods, services and civil works costing between $10,000 and $50,000 will be procured using shopping. Procurement of works over $50,000 will follow national competitive bidding procedures.

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Grant 9156-CAM

Milestones

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Financial Plan

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