



# Implementation Completion Memorandum

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Project Number: 36156  
December 2008

Cambodia: Improving the Livelihood of Poor Farmers  
in Southern Cambodia  
(Financed by the Japan Fund for Poverty Reduction)

Asian Development Bank

**JAPAN FUND FOR POVERTY REDUCTION (JFPR)**  
**IMPLEMENTATION COMPLETION MEMORANDUM (ICM)**

<b>I. BASIC INFORMATION</b>			
<b>1. JFPR Number and Name of Grant:</b> JFPR 9027-CAM: Improving the Livelihood of Poor Farmers in Southern Cambodia			
<b>2. Country (DMC):</b> Cambodia		<b>3. Approved JFPR Grant Amount:</b> \$ 1,800,000	
<b>4. Grant Type:</b> <input checked="" type="checkbox"/> Project / <input type="checkbox"/> Capacity Building		<b>5-A. Undisbursed Amount</b> \$32,265	<b>5-B. Utilized Amount</b> \$1,767,735
<b>6. Contributions from other sources</b>			
<b>Source of Contribution:</b>	<b>Committed Amount</b>	<b>Actual Contributions:</b>	<b>Remark - Notes:</b>
DMC Government and Beneficiary Contribution in Kind (per JFPR paper)	\$200,000	\$200,000	In kind contribution
Other Donor	None.		
Private Sector	None.		
<b>Community/Beneficiaries</b> a. Small infrastructure b. Saving money c. Community business activities.		\$140,000 120,000 40,000	Cash and in kind contribution of community.
<b>7-A. GOJ Approval Date:</b> 12 August 2002		<b>7-B. ADB Approval Date:</b> 11 November 2002	
<b>7-C. Date the LOA was signed (Grant Effectiveness Date):</b> 5 February 2003			
<b>8-A. Original Grant Closing Date:</b> 31 May 2008		<b>8-B. Actual Grant Closing Date:</b> 30 June 2008	
<b>8-C. Account Closing Date:</b> 31 March 2009			
<b>9. Name and Number of Counterpart ADB (Loan) Project:</b> L2022-CAM: Agriculture Sector Development Program (ASDP)			
<b>10. The Grant Recipient:</b> Department of Agronomy and Agricultural Land Improvement (DAALI) Ministry of Agriculture, Forestry and Fisheries (MAFF)			

## **11. Executing and Implementing Agencies:**

### **Executing Agency:**

Department of Agronomy and Agricultural Land Improvement (DAALI)  
Ministry of Agriculture, Forestry and Fisheries (MAFF)  
Monireth St., Phnom Penh, Kingdom of Cambodia  
Telefax No. 855-23-369-966

### **Implementing Agency:**

Centre d'Etude et de Développement Agricole Cambodgien (CEDAC)  
No.39, Street 528, Sangkat Beung Kuk I, Khan Toul Kork, BP 1118, Phnom Penh  
Telefax No. 855-23-885-146

## **II. GRANT PERFORMANCE ASSESSMENT**

### **12. Description:**

In response to the request of the Government of Cambodia, the Asian Development Bank (ADB) provided technical assistance (TA) to assist the Government in preparing a detailed proposal for an agriculture sector development program (ASDP). The ASDP aimed at promoting sustainable agriculture growth through increased productivity, thereby contributing to the reduction of rural poverty. ADB's TA fact-Finding Mission in May 2001 had a series of discussion with CEDAC (Centre d'Etude et de Développement Agricole Cambodgien), a leading national non-government organization (NGO) in the agriculture sector, to identify an effective approach for expanding outreach to poor people in the rural areas. Subsequently, CEDAC, in consultation with ADB, prepared a project proposal for grant financing under the Japan Fund for Poverty Reduction (JFPR), which would enhance the impact of the ASDP on poverty reduction. In January 2002, ADB fielded a project design and appraisal mission to formulate a detailed proposal for the JFPR Project through discussions with the relevant stakeholders in the field. The Government endorsed the JFPR Project on 25 February 2002, and the Government of Japan approved JFPR financing on 12 August 2002.

### **13. Grant Development Objective and Scope:**

The Japan Fund for Poverty Reduction Project aimed at reducing rural poverty by improving the opportunities of poor and vulnerable groups of farmers for sustainable livelihood. This was done by providing access to agricultural services and resources through a non-government organization (NGO), thereby enhancing the impact of the proposed Agricultural Sector Development Program (ASDP) on poverty reduction. Under the JFPR Project, the participation of rural women in income-generating activities was promoted.

The project had four components, namely:

1. Improving access to income-generating opportunities through the provision of small-scale village infrastructure, the establishment of village revolving funds, and the promotion of village-based agro-enterprises;
2. Strengthening the absorptive capacity of poor farmers through social mobilization program and agricultural, horticultural, and livestock training, including special intensive support for disadvantaged and landless farm workers in the rural area;
3. Supporting capacity building of local community-based organizations (CBOs) and NGOs; and
4. Supporting overall project management and poverty impact assessment.

14. Key Performance Indicators	Accomplishment Rating (HS,S,PS,U <sup>1</sup> )	Evaluation of Each Indicator:
i) Household income among project beneficiaries	HS	<p>The internal impact assessment<sup>2</sup> reported the following situations after the conduct of project interventions:</p> <ul style="list-style-type: none"> <li>Income from selling rice after harvesting increased by about 105%, from 670,100 Riel (about \$168) to 1,375,000 Riel (\$344) per household per year. The average rice yield increased from 2 to 2.4 ton/ha (about 15.28%).</li> <li>Income from selling vegetables increased from 207,000 Riel (about \$51.75) to 306,100 Riel (about \$76.53), around 48% increase.</li> <li>Incomes from selling fruits increased by about 21% cent per household per year.</li> <li>Selling of chicken increased by about 39%, from an average of 19 kg/household/year to 32 kg/household/year. Average income from selling of chicken increased by about 196%, from \$32 to \$94.</li> <li>Income from selling ducks, pigs and fish increased by about 30%, 110%, and 70% per household per year, respectively.</li> <li>On the average, the use of chemical fertilizer decreased by about 44 kg/household/year.</li> <li>The incomes from selling of products related to off-farming activities increased by about 43%; from 1,447,520 Riel (\$361.88) to 2,080,380 Riel (\$520.10) per household per year.</li> <li>The expenses on on-farming activities increase by about 15%, from 211,540 Riel (\$53) to 243,240 Riel (\$60) per household per year. Their expenses have increased for the chemical fertilizer, pesticide, rice seeds and crop seeds.</li> </ul>
ii) Access to basic social services	S	<p>Around 14,600 people have improved their access to basic social and marketing services, particularly by participating in different producer groups created in 192 targeted villages of the five target provinces<sup>3</sup>. Mutual help among villagers has significantly been improved after they joined the Farmer Group Associations.</p>
iii) Proportion of women groups in the total number of farmer groups in the JFPR Project	S	<p>Proportion of women among the total number of direct beneficiaries is around 55% (4,000 out of 7,300).</p>
(iv) Proportion of women among participating farmers	S	<p>Proportion of women among participating farmers in different groups are as follows :</p> <ul style="list-style-type: none"> <li>Women forum: 3,000 women out of the total of 3,000 members</li> <li>Youth forum: 810 women out of the total of 2700 members</li> <li>Farmer Association: 2,500 women out of the total of 4,200 members.</li> </ul>

<sup>1</sup> HS=Highly Satisfactory; S=Satisfactory; PS=Partly Satisfactory; U=Unsuccessful

<sup>2</sup>The study was conducted in mid-June 2008 by research team from the CEDAC Consulting (CC). 698 household samples were randomly selected from 137 villages, 36 communes, and seven districts of five provinces including Svay Rieng, Prey Veng, Kampong Cham, Kampong Chhnang and Takeo.

<sup>3</sup> Project covered 240 targeted villages in five provinces.

## 15. Evaluation of Inputs:

**Provision of self-help village funds:** Fund was allocated to finance investment on community business,<sup>4</sup> farm demonstration and saving activities. Around \$113,650 was provided to communities. It motivated farmers to invest in community business and improve income generation. Around 40% of the investment capital was contributed by the community, not to mention their in-kind contributions.

**Construction of village infrastructure:** Fund was used for small community infrastructure and the construction of meeting places of farmer associations. The project provided support to 42 community ponds, 17 canals (14.5 km long), 80 roads, 10 reservoirs and 4 dams. The total expenditure was \$ 245,500 out of which the project has contributed 42% (\$ 102,690). The communities played important roles in developing proposals and implementing the projects on their own. The Project was likewise involved in building capacity of communities on proposal writing, project implementation and monitoring. A total of 15,000 households benefited from small-scale infrastructure through the use of water, road for travel, natural fish trapping and cultivation in the areas close to the canals.

**Social mobilization and training:** The Project also focused on capacity building of community members. Around 4,000 training activities were organized at village, commune, district, provincial and national levels. The training focused on agricultural techniques, self-development, social and environmental aspects, savings mobilization, community leadership, and basic business and marketing skills. 7300 farmers participated regularly in the trainings and workshops.

**Farm demonstrations and farmers' exchange visits:** The Project selected well-performing farmers from all target villages to serve as models in farm demonstrations. Training support, exchange visit activities and start up fund were provided to them. Around 300 farmers served as model farmers in five target province.

**Provision of special intensive support for the disadvantaged and landless poor:** The Project did not only provide intensive training to poor landless farmers; start-up fund were provided to them. Around 2,500 poor farmers joined the project. It is noted that most of the members of the groups experienced very good improvement in terms of increasing production, changing their attitude and participating in social mobilization. However, the level of their participation waned after joining the Project for two or three years. Some of them left the farmer groups to find other jobs in the city as the income increase from the activities in the village is comparatively small.

**Capacity building support for local NGOs:** Project has facilitated the formation of farmer associations for improving mutual help and cooperation. In total, 181 village-based farmer associations (VFA) in five target provinces have been established. Around 4,200 family representatives (55% women) were members of the VFAs. 31 local clusters of village based VFAs were formed in four target provinces of Kampong Cham, Prey Veng, Svay Rieng and Kampong Chhnang provinces. The Project also organized a forum for local NGOs.

**Procurement of vehicles and equipment:** The Project purchased 23 motorbikes, 1 vehicle, 1 electric generators, video players, desktop and laptop computers and peripherals.

**Recruitment of consultants:** Two kinds of consultants were recruited to support the Project: internal consultants recruited by CEDAC and international consultants recruited by ADB. 10 technical support officers of CEDAC conducted regular technical support missions to target communities. These technical support officers provided advice on fish culture, animal husbandry, crop production, gender and community organization.

**Monitoring of project activities:** Regular monitoring activities were conducted: (1) monitoring and review mission made by CEDAC every month; (2) internal impact assessment made by CEDAC every year; (3) regular monitoring made by DAALI; and (4) review mission made by ADB staff and consultants.

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<sup>4</sup> This community businesses include pig slaughter house, chicken slaughter house, community rice business, community shop and palm sugar production.

## **16. Evaluation of Outputs and Results:**

### **(i) Improved access to income-generating opportunities.**

**Availability of farm inputs, information, and village funds:** The Project mobilized and supported 376 saving groups with 4,454 members (2,700 members are women) in the five target provinces. The total amount of savings generated up to June, 2008 was 513 million Riels (\$128,000). It is very important for the rural poor to access appropriate financial services to improve their lives. The Project has strengthened their financial skills and community solidarity. However, some level of support is needed to strengthen the weaker groups.

The Project selected potential areas or villages for strengthening linkages to the market. Different kind of producer group or community business were established: 85 organic rice producer groups (576 members); 160 chicken producer groups (1,100 members); one community rice business (255 members), 30 organic vegetable producer groups (117 members), 3 pig slaughter houses (370 members), 3 palm sugar producer groups (116 members) and 9 community shops. The activities of these groups have motivated farmers to increase productivities and get more income.

### **(ii) Increased absorptive capacity among project beneficiaries, including the disadvantaged and landless poor.**

**Use of productive resources:** 110 villages developed and implemented regulations for conservation of local natural resources and public properties in Kampong Cham, Prey Veng and Svay Rieng provinces. 4 commune networks have been established in Kampong Cham and Svay Rieng provinces. Meanwhile, regulations for conservation of natural resources and woodlot in pagodas were developed in 20 pagodas in Prey Veng and Svay Rieng provinces. Around 4,000 fruit tree and 108,000 multi purpose tree seedlings were planted around homestead and public areas.

10,000 farmer households have engaged in the production of compost. On the average, they collected around 3.5 tons of natural manures per year, an increase of 1.5 tons compared to the period before the start of the Project. The project has reduced the dependence of communities on chemical fertilizers.

**Responsiveness to new information and opportunities:** Based on inventory of project results, around 7,300 of the direct beneficiary were farmers (55% women). They have actively participated in project capacity building programs, joined farmer organizations and applied the innovations that have been promoted by the Project. A total 15 technical and social innovations have been introduced by the project and adapted to 10,000 farmers. A number of innovations have been applied by farmers such as system of rice intensification, semi-intensive chicken raising, vegetable production, compost making and small-scale fish culture.

### **(iii) Expanded outreach and increased skills of local community-based organizations and NGOs.**

**Number of farmer groups and villages satisfactorily managed by a field staff of CBOs:** 142 farmer associations have cooperated to organize women's forum for Kampong Cham, Prey Veng and Svay Rieng provinces. Around 3000 women participated in the forum. Based on assessment, around 1000 women have improved their knowledge after joining with forum.

119 farmer associations have provided support to create a youth forum in Kampong Cham, Prey Veng and Kampong Cham provinces. Around 2800 youths participated in the forum. Around 484 youths benefited from this initiative.

**Quality of services provided to beneficiaries:** 995 local or community-based animators specializing in different fields were recognized to be active or have the potential for promoting innovative technology and social mobilization in five target provinces. They are the local human resources who will ensure the sustainability of the project in the future.

38 rural development trainees (RDT) were selected for the training on agriculture. They are likewise valuable resources for community and are potential future leaders.

## **17. Overall Assessment and Rating**

Over-all, the project is rated as Highly Satisfactory on account of the following:

- Project has covered 240 villages of five target provinces of Cambodia. Around 14,600 farmers benefited from project;
- 3,500 women farmers have adopted positive mental attitude and taken appropriate actions to improve their own situation and the situation of their family as well as of the community;
- 900 youths are able to improve knowledge and skills in agriculture, saving and how to work in group.
- The Project has established 718 saving groups and producer groups that are now linked to the market. These groups will ensure sustainability of what the Project had started.
- Farmers especially the poor have increased their income by around 89% from on farm activities and due to the reduction of expenditure in farm input;
- The construction and the rehabilitation of the community ponds and the implementation of community-based regulations on natural resources conservation, especially fishery resources, have lead to increase of the fish catch, especially in Kampong Cham and Prey Veng province; and
- 1,500 poorest families experienced changes in their lives;

## **18. Major Lessons Learned:**

The lessons learned during the Project's five years of implementation are presented below:

- Organizing a savings group where members have a good understanding and willingness and where the project does not provide any subsidy will strengthen and capacitate the group. The group members tend to have ownership and commitment. In addition, they will take responsibilities in conducting monitoring of their group activities;
- Providing matching fund to the saving groups is not advisable in the long run as many groups members will lose interest when the Project stop providing the matching fund;
- Developing a community pond, reservoir and implementing regulations for the conservation of natural resources in areas where there is strong demand from the community will generate strong participation of the community (from experience of the Project, the communities contributed up to 30% of the cash needed to construct the infrastructure facilities). This ensures the sustainability of the infrastructure;
- Organizing forums such as women forum, youth forum or local forum for local development provides opportunity for villagers to share with each other experiences and inspire them to take action to improve their own situation;
- The support from the local authority is very important for the success of the project. Therefore, it is important that the project should have extensive support from the local authorities, especially in encouraging farmers to adopt/adapt technical innovations and participate in farmer organization and collective action; and
- It is important that the project should focus on linking farmers to market. The training of farmers in basic business and marketing skills are needed.

## **19. Recommendations and Follow-up Actions:**

Linking the farmers to the market is a good strategy for changing their lives for the better. The strategy can be developed according to specific circumstances, culture, behavior and geographical conditions. Thus, future interventions will introduce the innovations like before but will link farmers to market at the beginning of the project. Community contributions with respect to the social and environment aspects will follow later on. The overview of the new proposed strategy is presented as follows:


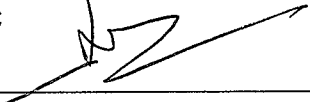
- The potential of the area and human capital related to crop and value chain will be determined through consultations with all stakeholders. If possible, mapping these potential areas with respect to specific products will be done;
- Establishment of producer groups by classification with respect to type of products and potential area will follow. The technical input on agriculture, marketing and business should be presented and discussed during this time. Savings in each producer's group can be mobilized in order to generate working capital in each group;


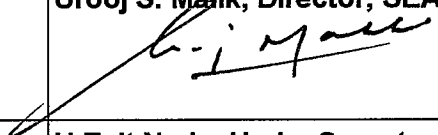
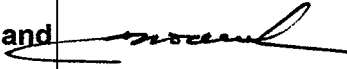
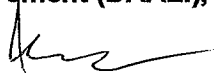

- The project should have budget for providing some loan to invest on the enterprises of small entrepreneur groups who supply inputs to farmers producer groups;
- It is important to set up farmer's producer group networks by mobilizing all producers' group into cluster level in order to share experiences, information, planning activities and price negotiation. Establishing collecting points for product at cluster level is better than at the group level in view of transportation costs considerations;
- Young community leaders program should be started at the beginning of the project in order to build the youth's their capacity early on. This will enable the young leaders to assists the community groups and farmers group at an earlier period;
- Creation marketing channel for linking producer groups to the market is of paramount importance;
- Mobilization of fund for the community development foundation which should be developed and sourced from community business or markets. The foundation will be used for capacity building or general awareness of women, youth and supporting the poor; and
- It is important that the key human resources, especially the representative of farmer associations and farmer promoters receive additional follow up support to ensure sustainability of previous inputs.

**20. Additional Remarks, Comments and Suggestions:**

The Project has developed the foundation of sustainability of beneficiary communities after the end of activities implementation. CEDAC is now working on follow-up activities, especially in the savings and marketing aspects.



III. PREPARATION AND APPROVAL		
Prepared by:	Name of Person and designation / Name of Institution / Signature	Date
1. Representative from the Recipient:	Mr. Srun Sokhom, Deputy Director, Department Agronomy and Agricultural Land Improvement (DAALI), MAFF 	16/12/2008
2. Manager, JFPR-GIU <sup>5</sup> :	Dr. Yang Saing Koma, Executive Director CEDAC 	16/12/08
3. Project Officer, ADB:	M. Ooka Social Development Specialist, SERD/SEAE	

Approved	Name of Person and designation / Name of Institution / Signature	Date
1. Director General, Department, ADB:	Arjun Thapan, DG, SERD 	8 Aug '09
2. Division/Country Director, ADB:	Urooj S. Malik, Director, SEAE/SERD 	0 May 09
3. Head of the Recipient:	H.E. It Nody, Under Secretary of State, Ministry of Agriculture, Forestry and Fisheries (MAFF), Royal Government of Cambodia 	17/12/08
4. Head of the Executing Agency:	Mr. Srun Sokhom, Deputy Director, Department Agronomy and Agricultural Land Improvement (DAALI), MAFF 	16/12/2008
5. Head of Implementing Agency:	Dr. Yang Saing Koma, Executive Director, Centre d'Etude et de Développement Agricole Cambodgien (CEDAC) 	16/12/08

<sup>5</sup> GIU=grant implementation unit (formerly called PIU=project implementation unit)