

PROJECT BREF

Reducing Global Risk and Vulnerability through Improving Food Security
And Household Nutrition in Cambodia
Cambodia Proposa for GAFSP funding
Submitted Sept 30, 2010

The Overall Strategy of RGC:

Despite its success in food grain production and self sufficiency, Cambodia is now faced with the problem that currently agricultural productivity is stagnant and narrowly based on a few crops and that water resources remain underdeveloped and underperforming.

In order to overcome the challenge of agricultural and rural development, the RGC formulated the Rectangular Strategy (RS-II) to serve as a roadmap for socio-economic development in the country, with priority set on alleviating poverty and enhancing economic growth.

The over-all goal of the National Strategic Development Plan 2009-2012 (NSDP-II) is poverty reduction and economic growth through enhancement of agriculture sector development. The agriculture sector's goal is to ensure food security, increased incomes, create employment and improve nutrition status for all people by improving productivity and diversification, and commercialization of agriculture with environmentally sound protection and food security.

The NSDP-II operationalized this strategy by emphasizing the need for the development of the Strategy for Agriculture and Water (SAW) with an over-arching goal : "To contribute to poverty reduction, food security and economic growth through enhancing agricultural productivity and diversification and improving water resource development and management" . The SAW was approved in 2013 by the combined Ministries of MAFF and MOWRAM, along with the Technical Working Group for Agriculture and Water, representing the donor partners working in the sector. The SAW and its associated Budget Investment Plan serves as the over-all agriculture and food security strategy of the RGC.

The goal of the SAW is to achieve a greater diversity of agricultural production, higher success rates in agriculture and water sector programs, improved competitiveness, higher income in rural areas, increased employment in rural areas, and finally higher economic growth in rural areas. The over-all impact of intervention would be a higher growth in productivity, a vibrant rural economy and a reduction in poverty.

Measurable outcome indicators are:

Agri output increased by 20%

Beneficiary income increased by 20%

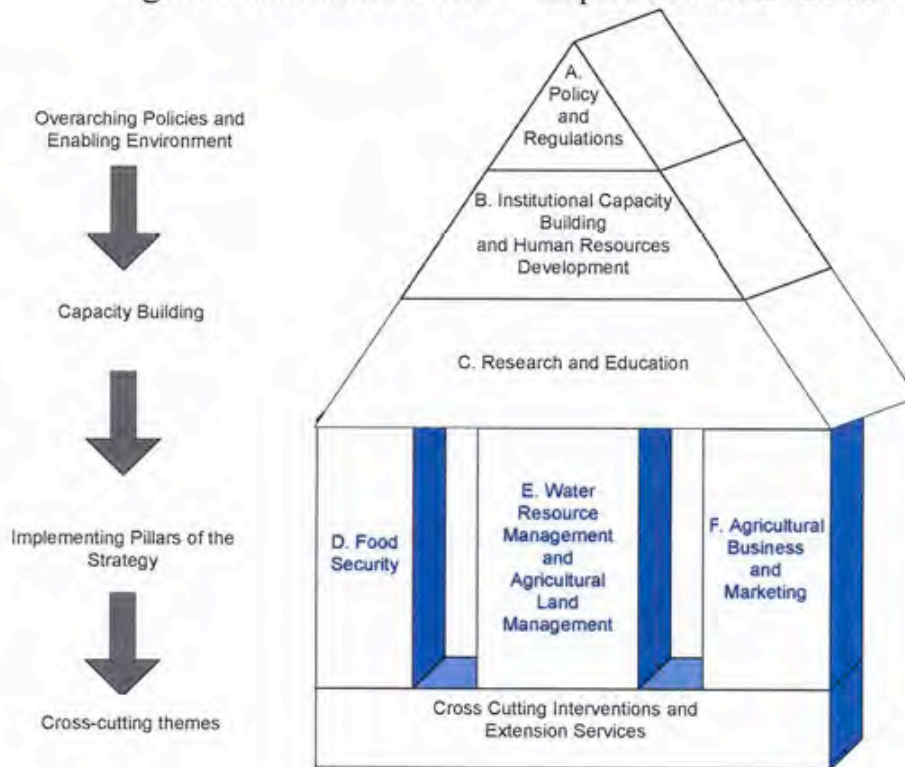
Employment in agri business and agro industrial sector increased by 20%

Area planted to cash crops increased by 20%

- Value of agri exports increased by 20%
- Value of formal bank loans for capital intensive in agri increased by 20%
- Volume of imported processed agri foods decreased by 20%
- Number of agri business SMEs increased by 10%
- The area of cropping land with access to irrigation services in increased by 100,000 hectares
- The incidence of drought or flood-affected farmland is reduced by 20%

The RGC recognized that land reform is vital to enhance social stability, the development of an efficient land market, environmental sustainability and for increasing agricultural productivity through the issuance of land titles to citizens, in particular to farmers who are cultivating land that they occupy. It was estimated in 2001 that there are 6-7 million parcels of land (plot) for which land titles have to be issued. Under the NSDP –II the priority is on strengthening security of land tenure (both state land and private land) through land registration for systematic and sporadic land titling procedures in order to provide land titles to people as well as institutions entitled to tenure rights.

Figure 1 Harmonized SAW Implementation Pillars



The SPECIFIC PROPOSAL FOR GAFSP FINANCING

43. **Program Development Objective:** The program development objective (PDO) is to enhance the productivity of agriculture in selected highly food insecure and economically depressed areas of Cambodia. An increase in agricultural productivity in these areas, characterized predominantly by poor, smallholder farm households, is expected to positively impact on household food security and welfare in a number of ways. Directly, it will increase the output of the targeted households by providing them with additional nutrition and sources of income. Indirectly it will create opportunities for further diversification and intensification of production within various farming systems, it will both increase aggregate supply of food at the local level, at the national level, and also at the international level with Cambodia being a net-exporter of rice grains. Further, by increased earnings and incomes, it will enhance households ability to access other foods and goods/services that will improve household nutritional status and general welfare; particular for women and children.

45. **Key Indicators:** The achievement of the PDO will be measured mainly by the actual farm-field level yield increases in crop, livestock and fish production (resulting from the use of new varieties, better quality seeds and improved on-farm water management and agronomic practices). Estimates of yield increases, numbers of farmer/households as well as women farmers benefiting from the project interventions are given in Annex 8 and summarized in the M&E framework provided in Table 3. A discussion of the project components and activities to be financed are given below.

II Components and Activities to be Financed :

Pillar C1. RAISING AGRICULTURAL PRODUCTIVITY

1. Component I: Adoption of higher yielding technologies
2. Component II: Technology generation
3. Component III: Improving the efficiency of agricultural land use

Pillar C2. LINKING FARMERS TO MARKET

1. Component I: Reduce transfer and transaction costs
2. Component II: Other value additions

Pillar C3. REDUCING RISK AND VULNERABILITY

1. Component I: Improving nutrition of vulnerable groups

Pillar C4. IMPROVING NON-FARM RURAL LIVELIHOODS

1. Component I: Promoting non-farm rural entrepreneurship

Pillar C5. TECHNICAL ASSISTANCE, INSTITUTION-BUILDING AND CAPACITY DEVELOPMENT

1. Component I: Implementation of the Rice Policy
2. Component II: Capacity building for sector strategy, investments and implementation
3. Component III: Knowledge development and dissemination

A. Raising Agricultural Productivity

1. **Adoption of higher yielding technologies** - village wide activities for diversified and sustainable agricultural and small livestock and fishery productivity practices and techniques through training and low input and improved technical packages for agriculture and small livestock and village aquaculture provided.

2. **Technology generation** – generating appropriate technologies and training resource poor men and women farmers through extension mechanisms delivered via GDA and

PGA staff. At the conclusion of the training, it is expected that farmers will participate in food processing, marketing and trading activities to improve their income and sustain their livelihoods. To consolidate the technology learned to achieve and sustain greater agricultural output and income benefit, beneficiary self help groups will be transformed into Farmers' Organizations.

3. Improving the efficiency of agricultural land use – seek to secure official recognition of land tenure arrangements for the project beneficiaries, in particular the poor and indigenous communities in the Project area, particularly in areas that receive irrigation infrastructure and extension services to beneficiaries . Activities also include identification of suitable land for different agricultural activities and development of usable soil classification maps for land use planning in the project areas. development of a legal framework to manage agricultural lands which can be enacted.

Linking Farmers to Market

1. Reduce transfer and transaction costs- providing information opportunities and developing market and business strategies to reach those markets Farmers will be organized into value chain partnerships to input suppliers, producers and market traders in the traditional market system.

2 Other value addition - farmers will be trained on market-oriented technologies. The project will support investments which reduce post harvest losses, such as communal or inter communal storage facilities, and demonstration of post harvest technologies to farmers and communities, including rice storage poly bag technologies to reduce pest infestation and post harvest losses. The project will scale up and extend the mobile phone and SMS based price information systems to new provinces not yet covered. Also, marketing strategies and promotions will be oriented to current and future projected market needs.

Reducing Risk and Vulnerability

1. Improving nutrition of vulnerable groups – training, esp for women, with an emphasis on improvement for nutrition, sanitation and food safety, supply of potable water, and food safety. There will be coordination with health clinics and hospitals for measuring improved health in the target groups .

Improving Non Farm Rural Livelihoods

1. Promoting non-farm rural enterprise – vocational training packages that will provide for off farm employment opportunities . Beneficiaries that show willingness and an aptitude in skills learned would have the opportunity to become members of off-farm income generating community enterprises such as micro- businesses and small scale agro processing groups that will be formed and trained under this Component.

Technical Assistance, Institution Building and Capacity Development

1 Implementation of Rice Policy – preparation of study and strategy work to explore opportunities for Cambodian agricultural products for regional and global markets; preparation of annual economic/market studies to reflect changes in rice/agricultural product markets ; provide TA for the Government on drafting legal acts on law on agri communities and sub decrees on supporting contract farming arrangements.

2. Capacity building for sector strategy, investments and opportunities – activities that improve MAFF’s functioning Gender Unit for mainstreaming gender issues across MAFF and PDAs. Activities that will assist PDAs in developing departmental strategy plans, strengthening financial management systems and program based budgeting. Assistance also to provincial rural development committees and councils for development planning.

3. Knowledge development and dissemination- activities that build up and strengthen collaboration between CARD, line ministries and the National Committee for Democratic Devt at the sub national level and national council for nutrition, civil societies and private sectors, with MAFF establishing focal points with clear responsibilities . FSN trainers will be established. Setting up of FSN-information supporting systems.

III. Area Coverage

82. Due to the complex nature of the program and the limited GAFSP budget in relation to activities, the program will be implemented through a Project modality. Ten highly food insecure provinces have been identified as the target area coverage of the project. These provinces are vulnerable to drought and flood and are accorded the highest priority in food security considerations. The ten provinces covered in the project are Kampong Speu, Prey Veng, Svay Rieng, Takeo, Banteay Meanchey, Kampong Cham, Kampong Thom, Preah Vihear, Siem Reap and Oddar Meanchey. The project area will be more specifically identified to the village level during the preparation of the detailed project proposal. The area coverage corresponds to the provinces covered by the FAO/EU Food Facility Project (due to finish in mid 2011) and the World Bank/IFAD CBAPP Project due to commence in early 2011. The synergies between ongoing and planned activities in these areas will be leveraged to ensure a greater beneficiary coverage and scaling up of impact.

IV. M and E framework

- 40,000 beneficiary farmers, 20,000 are women and 400 farmer organizations should be benefited; 17 high value added agricultural products identified for trade; 4000 self help groups are organized and functioning for off-farm and agri business activities

V. Implementation Arrangements

1 Project Management functions to FAO, IFAD and WFP.

2. Food Crisis Committee led by Min of Economy and Finance will be coordinating body from the RGC side. Day to day implementation will be carried out by the MEF, MAFF, CARD. When necessary, coordination with land management and urban planning, commerce, health, planning , women affairs, water resources and meteorology ministries; as well as national committee for sub national democratic development, commune councils, provincial councils, national nutrition council, technical working groups for food security and nutrition, and agriculture and water.

3. CBOs and service providers will be contracted for specific activities. CBOs will carry out project work from identification, proposal formulation, implementation and monitoring/reporting through contracts with the Management Agencies.

4. Preferred Supervising Entity – WB.

VI. Sustainability

1. Project activities will be implemented primarily through farmers and beneficiary groups such as SHGs and FOs, based on clear eligibility criteria, which include willingness and capacity and feasibility of business economic model. 50% of the members should be women. Management team of FOs will be given training in basic administration and account skills to manage membership fees and revenue earned through links to markets. There will be investment in training with farmer beneficiaries. The activities are not expected to have any adverse environmental impact, Climate resilient technologies will be developed.

VII. Amount of Financing - Over all program cost is US\$50M, funding request is for \$45M. over a 4-year period.

VIII. Signed by Keat Chhon, Deputy Prime Minister of MEF; and Chan Sarun, MAFF Minister.