



Cambodia: Climate Resilient Rice Commercialization Sector Development Program (Additional Financing)

Project Name	Climate Resilient Rice Commercialization Sector Development Program (Additional Financing)					
Project Number	44321-014					
Country	Cambodia					
Project Status	Approved					
Project Type / Modality of Assistance	Grant					
Source of Funding / Amount	<table border="1"> <tr> <td>Grant 0818-CAM: Climate Resilient Rice Commercialization Sector Development Program (Additional Financing)</td> <td></td> </tr> <tr> <td>Global Agriculture and Food Security Program</td> <td>US\$ 3.80 million</td> </tr> </table>		Grant 0818-CAM: Climate Resilient Rice Commercialization Sector Development Program (Additional Financing)		Global Agriculture and Food Security Program	US\$ 3.80 million
Grant 0818-CAM: Climate Resilient Rice Commercialization Sector Development Program (Additional Financing)						
Global Agriculture and Food Security Program	US\$ 3.80 million					
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth					
Drivers of Change	Partnerships Private sector development					
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development - Agricultural production					
Gender Equity and Mainstreaming	Effective gender mainstreaming					
Description	<p>On 27 June 2013, the Asian Development Bank (ADB) approved the Climate Resilient Rice Commercialization Sector Development Program totaling \$87.43 million. The program comprised a \$24 million policy-based loan and a \$31 million project loan, both from ADB's concessional ordinary capital resources; a \$14.60 million grant provided by the Global Agriculture and Food Security Program (GAFSP); a \$5 million loan and a \$4.50 million grant provided by the Strategic Climate Fund; and a \$8.33 million of government counterpart contributions. The Ministry of Economy and Finance (MEF) is the executing agency. The financial closing date is 30 September 2023.</p> <p>The original project performed well against the expected outputs, compliance with safeguards covenants, and management of risks. Delivery of expected outputs is rated successful as the project has met 17 of 23 output/targets, while the remaining 6 targets are on track. All gender action plan activities have been implemented, with 93% of the targets/on track. It has completed procurement of all packages, except for the end line survey. As of 19 November 2021, for the project loan and grant components, the cumulative contracts awarded is \$48.59 million (88.18%) with a cumulative disbursement of \$40.61 million (73.70%). The ongoing civil works subprojects will be completed by December 2021 and will increase disbursement to 80%. The original project has a savings of \$3 million, which will finance the project management implementation cost of the additional financing and continue several ongoing project activities.</p>					
Project Rationale and Linkage to Country/Regional Strategy	The additional financing is aligned with the government's priorities in addressing the socioeconomic impacts of COVID-19 and avoiding disruptions in the agricultural supply chains that threatens food security. It is aligned with the following operational priorities of ADB's Strategy 2030. Building on the lessons from the original project, the additional financing will (i) provide drying and storage facilities (DSF), including warehouses and drying yards, to agricultural cooperatives to preserve quality of seeds produced by government stations; and (ii) continue to work with MEF to implement weather-indexed climate insurance (WICI) scheme as MEF is the regulating body for the country's financial sector, including the insurance subsector.					
Impact	Increased net incomes of stakeholders along the rice value chain.					
Project Outcome						
Description of Outcome	Enhanced production of quality rice in Cambodia while preserving the natural resource base					
Progress Toward Outcome						
Implementation Progress						
Description of Project Outputs	<p>Conducive legal and regulatory environment established to facilitate climate-resilient rice commercialization</p> <p>Agricultural land-use zoning improved.</p> <p>Climate-resilient rice value chain infrastructure developed</p> <p>Rice value chain support services enhanced to improve quality of Cambodian rice</p> <p>Weather-indexed crop insurance piloted</p> <p>Efficient program management and implementation</p>					
Status of Implementation Progress (Outputs, Activities, and Issues)						
Geographical Location	Nation-wide					
Safeguard Categories						
Environment	C					
Involuntary Resettlement	C					
Indigenous Peoples	C					
Summary of Environmental and Social Aspects						

Environmental Aspects	An environmental assessment and review framework (EARF) was conducted for policy and project interventions during preparation of the original project in September 2012. Policy interventions focus on improving agricultural practices (chemicals and fertilizer application), land-use zoning (to avoid environmentally sensitive areas), watershed protection, and water management in irrigation systems, all of which are likely to have major positive impacts and significantly contribute to improved environment. The EARF was updated in April 2021 to cover the additional works (warehouses for six agricultural cooperatives) under the additional financing. The updated EARF was disclosed on ADB's website on 6 August 2021. Rapid environmental assessment was conducted for the six agricultural cooperatives warehouses and drying yards to screen the potential environmental impacts of the subprojects that may occur during the subproject design, construction, and operation phases. The environmental study was undertaken through field investigations and screening of potential impacts, both negative and positive. The potential environmental impacts that are expected to occur due to the project activities during pre-construction, construction, and operation phases are noted and their mitigation measures established. Based on the results of rapid environmental assessment checklist and the ADB classification system to reflect the significance of a project's potential environmental impacts, the six subprojects are classified as category C. Overall, the additional financing grant is categorized C for Environment.
Involuntary Resettlement	The additional financing grant is categorized C for involuntary resettlement impacts. The additional financing will involve the construction of six agricultural cooperatives warehouses, but these facilities will not involve any involuntary land acquisition as they will be built on the land owned by the agricultural cooperatives and will be located within the agricultural cooperatives' compounds. An external monitor will be recruited using the original project's fund to validate land ownership of agricultural cooperatives. This is to ensure compliance with ADB's Safeguard Policy Statement (ADB SPS, 2009).
Indigenous Peoples	The original project is categorized as C for indigenous people impacts. The six civil works subprojects are located in (i) Bansay Treng commune of Thmar Kaul district, (ii) Prey Kpos commune of Bovel district in Battambang province, (iii) Trea commune of Stoung district, (iv) Trapeang Reussey commune of Kampong Svay district in Kampong Thom province, (v) Lvea commune of Preah Sdach district, and (vi) Ampil Krao commune of Sithor Kandal district in Prey Veng province. Commune database information and socioeconomic survey indicate there are no indigenous people living within the subproject areas. Local authorities and residents confirmed this finding. Therefore, these six subprojects will not cause any impact on indigenous people.
Stakeholder Communication, Participation, and Consultation	
During Project Design	Consultations with stakeholders took place during the original project's design. During implementation, consultations have continued to provide community groups the opportunity to voice their views on subproject design and operation. The additional financing will continue to hold community consultation meetings at the community level. The meetings will be carried out by the MEF-PMO, MAFF-NIO, and PIOs and the implementation consultants, with the participation of commune, district, and provincial officials. It will include the participation of representatives from the local government, civil societies, and nongovernment organizations. The communities will be briefed on all aspects of the subproject including safeguard issues of environment and resettlement. Women will be particularly encouraged to actively participate in the consultation meetings and voice their opinions and views about the subproject design and implementation arrangements.
During Project Implementation	The agricultural cooperatives will be informed of the operations and maintenance needs of the warehouse subprojects and their expected responsibility on operations and maintenance. They will be encouraged to provide ideas and feedback to the design team and raise their concerns regarding potential negative impacts of the subproject design on the environment and the welfare of the community. The process of consultation is expected to build awareness of the subprojects needs by the agricultural cooperatives and hence foster better sustainability of the investment.

Business Opportunities	
Consulting Services	The additional financing will make use of the individual implementation consultants already recruited for the original project. There will be (i) an extension for the eighteen existing individual implementation consultants (two international and sixteen national), and (ii) recruitment of two new individual national consultants following the 2013 Guidelines on the Use of Consultants by ADB and Its Borrowers.
Procurement	Procurement for the additional financing will follow the 2015 Procurement Guidelines, same as the original project. There are four procurement contracts, one for civil works and three for goods.

Responsible ADB Officer	Leung, Leonard H.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SERD
Executing Agencies	Ministry of Economy and Finance Street 92, Sangkat Wat Phnom Khan Daun Penh, Phnom Penh City Cambodia

Timetable	
Concept Clearance	-
Fact Finding	25 Mar 2021 to 05 May 2021
MRM	-
Approval	14 Jan 2022
Last Review Mission	-
Last PDS Update	19 Jan 2022

Grant 0818-CAM

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	3.92	Cumulative Contract Awards			
ADB	0.00	-	0.00	0.00	%
Counterpart	0.12	Cumulative Disbursements			
Cofinancing	3.80	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/44321-014/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=44321-014

Date Generated

20 January 2022

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.