Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 16-Feb-2021 | Report No: PIDC231067

BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P174951		Substantial	Cambodia Sustainable Livelihood for Indigenous Communities Project (CSLICP)
Region	**Country**	**Date PID Prepared**	**Estimated Date of Approval**
EAST ASIA AND PACIFIC	Cambodia	16-Feb-2021	
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Analyzing Development Issues Centre (ADIC)	Analyzing Development Issues Centre (ADIC)	

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	2.75
Total Financing	2.75
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	2.75
Japan Social Development Fund	2.75

B. Introduction and Context

Country Context

1. Following significant economic growth over the past two decades, averaging 7.7 percent per year, Cambodia attained lower middle-income country status in 2015. The growth has been fueled by three main drivers: construction, tourism and garment-led exports. Poverty incidence was reduced from 48 percent in 2007 to 14 percent in 2014. However, the current and short-term economic prospects are very challenging, owing to the impact of COVID-19 on the Cambodian economy in 2020 and the partial suspension of the

"Everything But Arms" preferential status to the EU market, which reduced the competitiveness of Cambodian products in the EU export market. Economic growth is projected to be a negative 2 percent in 2020 along with around 1.7 million people at-risk of losing their jobs [1].

2. Despite the notable economic progress achieved over the last two decades, urban – rural income inequality still remains a major issue in Cambodia, especially for the mountainous regions where indigenous people (IP)[2] reside. These regions have been hit by rapid depletion of natural resources that have mostly affected IP people who depend on upland resources for subsistence and livelihood [3]. Forest cover has declined from 57 percent in 2010 to 47 percent in 2018 due to encroachments, land and mining concessions, and large-scale infrastructures such as dams. Therefore, indigenous households in the mountain and plateau areas have a higher probability of being poor compared with the rest of the country [4], with about 28 percent of all households in these areas experiencing food insecurity. Furthermore, limited access to education in IP communities constitutes an important constraint to improving productivity and to move out of poverty. Only 29 percent of indigenous peoples can write and read the Khmer language compared to 77 percent for the general population. Indigenous People's completion rate beyond primary education is only 27 percent against 53 percent among the Khmer population [5]. Only about 75 percent of young IP children are enrolled in lower education (grades 1 through 12) compared with 91 percent among poorest Khmer households. Dropout rates in secondary school are very high. Data from the Cambodia Education Management Information Systems (2019) of the Ministry of Education, Youth and Sports show dropout rates of 45 percent and 64 percent in Mondulkiri, respectively in lower secondary school and upper secondary school. In Ratanakiri, the rates were respectively 45 percent and 68 percent. Several factors account for the low enrolment rate or high dropout rate among IP children including poverty, out-migration, labor for farming, poor and remote school infrastructure, irregular teaching schedules.

[1] (https://www.worldbank.org/en/country/cambodia/overview, retrieved Oct 14, 2020)

[2] Indigenous peoples constitute around 1.2 per cent of the Cambodian population, approximately 200,000 people. They are scattered over 15 provinces in 24 sub-groups, differentiated by dialect and cultural practices.

[3] HUMAN DEVELOPMENT REPORT, CAMBODIA 2019, SUSTAINING NATURAL RESOURCES FOR ALL, For the United Nations Development Programme (UNDP).

[4] Where Have All The Poor Gone? Cambodia Poverty Assessment 2013

[5] Situation of Indigenous Peoples in Cambodia, Submission for the 3rd Cycle of Universal Periodic Review of Cambodia 32nd Session of the Human Rights Council January – February 2019

Sectoral and Institutional Context

3. Enhanced and sustainable livelihood development in Indigenous Communities (ICs) require addressing a two-pronged development challenge: first, a secured access of community members to traditional

agricultural lands and forest products; and, second, the sustainable promotion of improved agricultural production practices targeting profitable value chains where the mountainous IP areas have favorable natural advantage. Since the early 2000s, the government of Cambodia has begun to address this development challenge, focusing on secured access to natural and productive resources in ICs.

4. In 2001, a Land Law was adopted and established the right of ICs to an Indigenous Communal Land Title (ICLT) over their customary lands where they carry out traditional agriculture including shifting cultivation (Article 25). A 2009 sub decree of the Land Law defines the types of traditional lands to which ICs may obtain communal titles (land that is part of their shifting cultivation system that is under fallow at the time of titling, land which they are farming at the time of titling, land which contain their homes at the time of titling, and the spirit and burial forests). While in practice, there have been cases where some community members have expressed preference for individual titles over the ICLT, the Land law provides for possibilities of land transfer among community members whereby an adequate share of land is provided to a community member who wishes to leave the community. The process for Indigenous People to obtain collective land titles (ICLT) consists of three main phases: (i) official recognition of a particular group of people as an IC by the Ministry of Rural Development (MRD); (ii) registration of the IC as a legal entity by the Ministry of Interior (MoI); and, (iii) communal registration of the land and issuance of a collective title by the Ministry of Land Management, Urban Planning and Construction (MLMUPC).

5. Demands for ICLTs have increased notably over the last few years. Between 2016 and 2019, the number of ICs that have reached each of the three successive phases of the ICLT process increased by 26 percent, 37 percent, and 114 percent, respectively. By end 2019, 150 IPs have been recognized as ICs by MRD, 140 IPs have been granted legal recognition by MOI, and 30 ICs have obtained registration of their lands from MLMUPC. More land registration for other ICs is underway. It appears that the scope and speed of communal titling is constrained by limited government and NGO capacities. Constrained budget resources appear to have been a major problem for officials at MDR, MOI and MLMUPC to carry out necessary technical and administrative activities, while actions of many NGOs who provide critical technical and administrative capacities to IP are also handicapped by funding resources. To address these constraints, the government of Cambodia requested the World Bank, under the Land Allocation for Social and Economic Development III (LASED III) project[1], to provide funding support to the ICLT processes within the LASED III's target areas, thereby relieving the capacity constraints from both the public sector and NGO partners. In addition, the LASED III project will provide basic community infrastructure to ICs that have secured their community titles.

6. While prospects for the adequate support of ICLT processes are promising, the agricultural production potential in IC remains largely untapped, particularly for horticulture for which climatic conditions in the areas are very favorable. This is largely due to the lack of introduction of improved technology and ineffective extension services to improve husbandry practices. Agricultural extension services provided by various public agencies have generally focused on rice production and aquaculture development, thus paying very little attention to horticulture promotion and support. Limited access to quality farm inputs and the high cost of marketing activities, largely owing to poor rural road networks, to deliver products to markets are also important constraints. At the same time, domestic demand for vegetable products has been growing fast due

to rapid urbanization, increased income, and tourism. Nearly 60 percent of market supplies are imported from Vietnam, valued at US$140 million per year. However, the context of the Covid-19 -trade restrictions and other barriers will contribute to more reliance on domestic supplies. Opportunities for the development of horticulture value chains, including from indigenous communities in the mountainous areas are therefore substantial.

7. Over the last few years, there have been few initiatives that could be leveraged towards enhancing the production capacity and competitiveness of horticulture in IP communities. First, a few local private investors such as *Amru, Signatures of Asia,* and *Golden Rice*, have been involved in organic production of horticulture and seek to source produces mainly from upland indigenous areas where there is good development potential for this value chain. These companies have developed contract farming models as a framework for partnering with producers. The Contract Farming involves sponsor companies that set up contracts with the farmers and their cooperatives on a seasonal basis, for the production and the purchase of horticulture crops that require minimal processing. The sponsor commits to purchase the agreed volumes of produce based on quality, grade, volume and market price. The sponsor can be a retail supermarket or an intermediary trading company. The Agricultural Cooperatives (AC) ensure internal control systems on crop standards, and inspect quality compliance and volumes of contracted produce. In later phase, the ACs manage the provision of certified inputs (seeds, organic fertilizers), and provide technical training or savings and lending services to their members.

8. Second, several development partners (DPs) are currently supporting local agricultural and livelihood improvement, targeting poor smallholders. The International Fund for Agriculture Development (IFAD) is funding a program, "the Agriculture Services Program for Innovation, Resilience and Extension" (ASPIRE). The program has been piloted in Battambang, Kampong Cham, Kratie, Preah Vihear and Pursat, covering a variety of farming activities including among others, vegetables and fruits. Oxfam, with funding from the Dutch government has launched a “Rice TechCambodia (RTC)” program to improve the organic rice value chain in collaboration with the Cambodian Agricultural Cooperatives Corporation (CACC), among others. This initiative which has leveraged the contract farming approach for organic rice farming in Preah Vihear, has been successful since 2013. It has supported agricultural cooperatives to produce and trade organic rice with Cambodian and Dutch Companies for European markets. The operation is in the process of expanding to new areas in Mondulkiri Province’s in collaboration with the Provincial Department of Agriculture. The Swiss Agency for Development and Cooperation (SDC)’s has funded a Technical Vocational Education and Training (TVET) program managed by *Swisscontact*, that also covers some IP areas. There are also a few NGO agricultural service providers that support IPs' access to technical assistance and financing, though their funding and technical capacities are relatively limited. Public agencies such as CARDI (Cambodia Agriculture Research and Development Institute) has adequate expertise to provide technical assistance on integrated nutrient management, post-harvest technology, farm management, seed quality control, integrated pest management, soil classification. CARDI’s goal to enhance wide-spread adoption of improved technology is an important asset to tap into for promoting sustained productivity improvement in smallholder agriculture.

9. To sustainably address the development challenge of ICs, a multi-pronged approach combining security of land tenure, community infrastructure, and pertinent agriculture-based livelihood development approaches

would be needed. It would also need to leverage the presence of a variety of actors including other DP, NGOs, and private actors and related contract farming opportunities. However, to implement such an approach under one umbrella project would be a complex undertaking. Thus, the proposed JSDF is designed as a complementary, but parallel project to LASED III. The LASED III initiative which promotes access to secured land tenure rights and basic physical infrastructure will generate incentives for IC members to adopt improved technologies and to invest in farming. It would therefore be a conducive environment for the successful implementation of the proposed JSDF-funded project.

10. The proposed JSDF project would pilot improved and small irrigation-based farming practices to enhance agricultural -notably horticulture- supply response capacity in ICs covered by LASED III. It will pay particular attention to building partnerships between the communities and private sector/NGOs. It would be implemented by an experienced team from ADIC who would engage the indigenous communities at the grassroot level, on the mobilization, inclusive, participatory planning processes to properly assess their needs and aspirations. This requires the involvement of facilitators that bring skills to the process that are mostly outside the technical domain of government activities and experiences.

[1] *LASED III is the second follow-on project to the initial LASED operation. It is designed to consolidate and further expand activities piloted under LASED and LASED II. The LASED initiative has been initially designed to help implement government's social land concession policy that aims to allocate land titles to vulnerable and landless populations, along with targeted development assistance. Under the new LASED III, and owing to the successful implementation of land allocations under LASED and LASED II, the government has requested coverage of selected ICs, focusing on ICLT processes and community infrastructures.*

Relationship to CPF

11. The country partnership framework (CPF) of the World Bank for Cambodia (2019-2023) emphasizes the need to improve agricultural productivity and *diversification* (*"Objective 8 of the Focus Area 3" of the CPF).* By promoting sustainable access to improved technologies for horticulture production by targeted IC communities, the proposed JSDF-funded project contributes directly to the objectives of the CPF. It will leverage expected outcomes from LASED III, such as land tenure security for ICs and their improved access to community infrastructure, thereby contributing to an inclusive economic growth in the agricultural sector. It will also leverage the ongoing World Bank-funded Cambodia Agricultural Sector Diversification Project (CASDP) which supports the development of agricultural value chains, by fostering backward and forward linkages between private agribusinesses and smallholder, including through contract farming.

C. Project Development Objective(s)

Proposed Development Objective(s)

To improve the incomes of indigenous people (IP) in the project areas in the provinces of Ratanakiri and Mondulkiri, through the implementation of innovative rural livelihoods development programs, including farming, off-farm and

non-farm activities". These communities are also beneficiaries of the LASED III project.

Key Results

- At least 30 percent increase in average yields from main horticulture produce by beneficiary farmers including at least 30 percent females);
- At least 20 percent increase in annual production from main horticulture produce by beneficiary farmers including at least 30 percent females);
- Ratio of average sale prices of horticulture crops to average market prices (at least 100 percent);
- At least 60 percent of TVET trainees have established small scale processing facilities for agricultural/forestry products (including at least 30 percent females);
- At least 50 percent of farmers are members of producers' cooperatives with established market links (either through contract farming or with traders) for the marketing of their product at fair price.

12. A baseline survey will be conducted at the beginning of the project, preferably within the first six months of the project inception, to establish baselines against which outcomes or changes over time will be measured.

D. Preliminary Description

Activities/Components

13. Project's activities are grouped into 3 components: (i) Livelihood support through innovative farming practices and technical training; (ii) Improving Producer Links to Market and Horticulture Support Services; and (iii) Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination. The project will be implemented by Analyzing Development Issues Centre (ADIC), a registered non-governmental organization (NGO).

Component 1. Livelihood support through innovative farming practices and technical training (US$2.05 million).

14. This component would implement activities aimed at enhancing and diversifying the community's income generation base, including from farming, off-farm (agricultural processing), and non-farm (eco-tourism services, handicrafts) sources. For farming, key expected outcomes include sustainable increases in productivity and production by smallholders through the adoption of improved, small scale irrigation-based production practices, notably in horticulture. For off-farm and non-farm activities, expected outcomes include the increased and efficient production of processed agricultural and forestry products, as well as the enhanced provision of eco-tourism services by youth community members, following extensive technical, vocational and education training (TVET) activities. The component is composed of 4 sub-components: (i) introduction of demonstration farms for new improved production practices; (ii) provision of sustainable

water solutions through small-scale irrigation technologies that will help farmers to mitigate the risk of increasing water shortages due to climate change; (iii) school bio-gardens for capacity development for students on home gardening; and (iv) community-based TVET for the youth.

Sub-component 1.1. Introduction of new production practices for community farmers through farmer-managed demonstration farms (US$0.96 million)

15. An extensive training program using a community demonstration-farm approach would be carried out. With the view to foster the understanding and ownership of the above training program, at the outset, about 23 Participatory Action Research (PAR) consultations will be carried out with key members of the IP communities covering men, women, youth, as well as other stakeholders such as school and other local authorities. This will serve to foster their understanding of the project objectives and the viability of the proposed actions, and to define and implement the selection criteria for the participants and gain consensus on the respective roles of community members to implement the planned activities. These demonstration farms will introduce new crops and farm practices, and serve as technical meeting and networking platforms among farmers. They also serve as practical tools for the diffusion and adoption of innovation through practical experience on new crops and farm practices. The selection of crops will vary by geographical area, but these will mostly include horticulture, complemented by root and fruit plants with short-growing production cycles if the local conditions are favorable. The Implementation process will feature two phases.

16. During the first, pilot phase covering 20 communities from the 3 communes of Ochum (Ratanakiri), Poy (Ratanakiri) and Sen Monorum (Mondulkiri), a community demonstration farm would be set up in each community involving about a cluster of 20 demonstration farmers (producer group or core group) thus, totaling 400 demonstration farmers for the 20 communities. Each demonstration farmer group will include a host (or pilot) farmer who would provide the land (his/her own land or an IP community land) for the demonstration purpose. Prior to the setting up of the demonstration farm, a “demonstration farm orientation training” will be held for members of each producer group, using a “farmland resource assessment tool”. This would cover aspects of soil and plant crop viability, water resources, compost pit and nursery items to assess and build farmers’ familiarity with crop management. The project Agronomist will implement 16 training sessions for demonstration farmers on crop-growing techniques, biology, soil and water management, resilience techniques, composting, Integrated Pest Management (IPM), and environmental management issues. These trainings would be carried out at the crop onset, at sensitive growing stage and near-harvest stage. During the following growing season, demonstration farmers, with technical assistance from the pilot farmer of their respective group, will carry out a first replication of the demonstration farm in their own land. The pilot phase, which would be carried out during the first 1.5 years of the project, will ensure, with the extensive support of the agronomist, that the new innovations are properly field tested, unforeseen technical issues are addressed and key lessons are generated. This will provide a solid ground for the next phase of expansion/replication of the demonstrations within the wider community of farmers.

17. During the second phase to be held starting from the project’s second year, these demonstration farms become training hubs for the second replication of the demonstrations by the wider community of farmers.

The demonstration farmers coordinate the training for neighboring farmers willing to set up their replication plots, call for meetings and reflections, respond to problems, and seek technical support from agronomists. After the training, and following their exposure and appreciation of the introduced innovations, adoption by farmers through establishment of their own replicant plots would gradually materialize, thereby enhancing farm productivity and production for the community. For the proper establishment of these replication plots, demonstration farmers, as farmer-to-farmer trainers of these demonstration activities, would provide technical support and follow-up as needed. It is expected that by project end, at least 800 farmers will proceed with the replication. They would fund their own production, but training support would be provided by the previously trained demonstration farmers. They would benefit from the services of Village Trade Agents (see Component 2), together with demonstration farmers, as the nexus of future producer cooperatives.

18. The project will fund the provision of input packages (nylon nets, seeds, tools like spade, shovels, watering cans, seed boxes, container) for the 20 demonstration farms during the first phase. It will also provide funding assistance for the adequate replication of demonstration plots by demonstration farmers. Start-up seedlings for replication plots by the wider community will be provided from the nursery of demonstration farms, along with technical extension services to be provided by previously trained demonstration farmers.

Sub-component 1.2. Provision of environmentally sustainable water solutions for agriculture and adaptation to climate change (US$0.13 million).

19. The project would implement a bio-garden training program in the school curricula that provides practical learning in horticulture that would strengthen the knowledge base and productive capacities for students at least 15 years old, and from Grade 7 through Grade 12. The proposed school bio-gardens would generate skills on innovative horticulture that students would try out themselves or with their parents in their home gardens. Previous bio-gardens in schools have generated interests from parents on their child's gardening initiative, as it has been the case under the FAO-funded project in the Bavel district of Battambang province. The bio-gardens are therefore designed as an effective way for improved farming technologies to be brought home by the child and adopted by his/her parents, thereby enhancing households' farm productivities.

Sub-component 1.3. Setting Up School Bio-Gardens for Capacity Development of students (US$0.71 million)

20. The project would implement a bio-garden training program in the school curricula that provides practical learning in horticulture that would strengthen the knowledge base and productive capacities for students at least 15 years old, and from Grade 7 through Grade 12. The proposed school bio-gardens would generate skills on innovative horticulture that students would try out themselves or with their parents in their home gardens. Previous bio-gardens in schools have generated interests from parents on their child's gardening initiative, as it has been the case under the FAO-funded project in the Bavel district of Battambang province. The bio-gardens are therefore designed as an effective way for improved farming technologies to

be brought home by the child and adopted by his/her parents, thereby enhancing households' farm productivities.

21. One bio-garden would be established in each of the 3 selected secondary schools, targeting a total of 1,200 students of grades 7-12, with each student going through the practical training for a production cycle of about 3-4 months. Selection of the schools and participating teachers and students will be informed by the Participatory Action Research (PAR) consultations. The bio-gardens will be set up and managed by 6 school teachers (2 per school) who will collaborate closely with a student maintenance team that would be set up. Extensive training to teachers and bio-garden students, mainly the maintenance team, will be provided by the agronomist engaged by the project, including orientation sessions in 3 schools on how to set up bio-garden nurseries, compost pits, water pond and garden plots. Additional 16 thematic training sessions involving 420 students and 6 teachers will be provided, focusing on innovative and resilient crop-growing techniques, biology, soil and water management, composting and IPM, environmental issues. Periodic coaching and mentoring and additional easy-to-teach manuals on the specific crop management would be provided. Teams of students will set up garden plots and nurseries in the vicinity of the bio-garden, to try out new vegetable crops and crop-raising techniques. Harvesting from the school bio-gardens would be carried out by the student maintenance team to foster their ability to replicate the actions at home along with their parents [1]. Second season seed inputs will be retained from the first-year plant stock.

22. The project will finance the orientation and thematic training sessions. It will also fund the provision of a one-time input package (nylon nets, seeds, tools like spade, shovels, watering cans, seed boxes and containers). The inputs will be provided to each school through two teachers who will ensure that they are put into proper use. In addition, the field PAR Coordinator, with the support of an Agronomist, will oversee the proper implementation of activities through close collaboration with the teachers. Counterpart contribution from the school would include labor and fence or post materials by the community. The school-garden would also be provided with water containers for use in the upkeep of plants. At the project inception phase, the school selection will be finalized, following practical considerations such as availability of water sources, logistics, coordination issues.

Sub-component 1.4. Community-Based Vocational Training for Youth (US$0.25 million)

23. A vocational training program would be implemented for youths to build their skills for the development of creative industries and eco-tourism products and services. Beneficiaries of this activity are mainly those who dropped out of schools with very limited prospective employment opportunities. The expected outcome is to create a skilled youth resource base that will contribute to their households' income diversification and to the protection of valuable natural environments. This includes harnessing the growing potential of eco-tourism in the areas through professionalized eco-guides and homestay services, production of handicrafts such as bamboo-craft, as well as the development of local processing of farm and forestry products like strawberry jams, kimchi vegetables, and wild honey. Trainees would be allocated a "small enterprise capital support", in kind and/or in cash and following close consultations with SDC/*Swisscontact*, to start up home-based crafts enterprise or eco-tourist group services.

24. The selection of beneficiaries involves a transparent process. While the training program is proposed for youth of at least 15 years of age, eligibility criteria include at least Grade 7 qualification. The program targets youths who dropped out of schools and reside in the areas where demonstration-farms and school bio-gardens are carried out. Close collaboration would be held with commune councilors in Poy, in Ochum as well as in Sen-Monorum commune, and along with school principals to identify students who dropped out of secondary schools. The program which would be facilitated by an agronomist and *Swisscontact* which has managed a TVET program in indigenous people's areas, aims at training 560 young people, for about two months. ADIC would develop the curriculum based on opportunities for food processing from the horticulture and forestry products such as honey, as well as on the potential eco-tourism services based on the natural resource endowments in the areas.

Component 2. Improving Producer Links to Market and Horticulture Support Services (US$0.23 million)

25. A basic concern is that indigenous people are not yet organized to trade crops like horticulture at relatively large scales. The purpose of this component is therefore to help ensure efficient marketing of the horticultural produce. This involves the adherence to quality standards for crops in line with market demands, along with the establishment of marketing strategies that provide remunerative prices to producers consistent with market trends. This calls for adequate market intelligence and linkages to inform technical services from seed selection, germination in local nursery plots, soil, water and pest management, to product packing. Expected outcomes are therefore the maintenance of high-quality standards for the bulk of the production, and sale prices that are at least equal to average observed market prices for comparable produce.

26. Pending the development of local cooperatives, the project will introduce the "Village Trading Agent (VTA)" model to help carry out two critical marketing functions, including: (i) rigorous organization and planning of primary collection of produce from producers, and management of marketing transactions with traders and other market participants; and (ii) the systematic provision of marketing signals to producers to ensure that quality standards are fully understood and reflected into production planning processes such as proper selection of seed varieties, plant fertilization and crop protection methods, and harvesting strategies. The demo-farmers groups, along with replicant farmers willing to join them, will draft protocols with the VTA on the marketing of the produce (to be managed by the VTA) including prices, quality references, quantities, produce collection periods, etc. Advice would also be provided to the farmers' groups on options for revenue allocations, including setting aside seed-capital for a formal cooperative should the farmer group be interested to evolve in that direction. Provision of related assistance including on the development of Cooperative By-Laws and policies, would be arranged by ADIC.

27. Two VTA would be assigned to each of the 20 demonstration farmers groups (see sub-component on demonstration farms) following clear and transparent selection criteria and processes. An important selection criterion of the VTA is that they must be members of the households who participated in the demonstration-farms, and also have developed initial trade networks in the produce markets. Their selection would be decided by consensus among producer groups members. The role of the VTA is to establish a network with buyers, both at wholesale and retail levels, for the marketing of formally or

informally agreed volumes of transactions, and at prices that take into account market evolutions as presented in market price information reports for locally produced and imported horticulture products. This networking would help set quality standards for the produce, which in turn inform farm level production processes and primary collection and product handling at the village level. Training of VTA would be provided by a resource person with strong familiarity with market and business development services. S/he should also be familiar with GAP (Good Agricultural Practices) standards, and should help establish links with existing supermarkets in secondary cities and/or the Capital.

28. The project would fund trainings and workshops for 20 selected Village Trading Agents on their role and expected impact. In addition, training on trading business and basic financial management would be provided to trade agents and producer group leaders with the view to prepare them to promote the emergence of cooperatives made up of associations of producer groups. With the development of a Producer Group Policy manual and a training on cooperatives management, it is expected that at least three Cooperatives would be established and registered by the end of the project. To help sustain these new cooperatives, assistance would be provided by ADIC to link them directly with other platforms, such as the Organic Rice through a farmer's contract model under Amru Rice, Signatures Asia and Golden Rice in Preah Vihear and Amru Rice and the Dutch government-funded "Rice TechCambodia in upland Mondulkiri.

Component 3. Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination (US$0.48 million).

29. This component would ensure effective project management. It will finance (a) the operational cost pertaining to multi-sector coordination, technical and fiduciary (Financial Management and procurement) activities, as well as social and environmental risk management of the Project; (b) monitoring and evaluation; (c) baseline, mid-term, and final project evaluation and impact assessment; and (d) communication strategy and project results dissemination including documentation of project results and lessons learned for a broader audience dissemination.

Sub-component 3.1. Project Management and Administration (US$0.35 million)

30. ADIC will hire a project manager dedicated to this project. She/he will operate under the oversight of the ADIC's Executive Director and with backstopping support of an advisor from ADIC staff. 10 out ADIC's 20 current staff and affiliates would be involved in project's activities either full time or part time, along with about 15 consultants that would be contracted. ADIC will also engage some of its full-time staff to support aspects of overall and fiduciary project management, including financial management, procurement, reporting and quality assurance, and the preparation of the Project Completion Report. Related personnel time and costs would be borne by the project. These involve ADIC's Executive Director for project report writing and overall quality assurance; the Finance Manager for supervision of financial management activities and reporting, audit preparations and interim financial reports; and, ADIC's media and Communications Specialist (to be appointed and financed under Component 2) for period support for the preparation of project materials, public events and media interactions. The Social and Environmental safeguards specialists will be financed under Component 3.1.

31. This component would fund the purchase of equipment for project staff, and basic operating costs such as travels, vehicles rentals, vehicle operation and maintenance, communication and Insurance costs, bank service charges, office rental, office (and office equipment) maintenance, utilities expenses, document publication/printing, consumables (laptops, office supplies, printer, phones, furniture, etc.), food and accommodation, and staff/Board meetings and reflections.

Sub-component 3.2. Monitoring and Evaluation (US$0.08 million)

32. **Monitoring and Evaluation (M&E) Design.** A baseline survey will be undertaken at the start of the first six months of the project implementation to establish and/or update data and information about the socio-economic situation in the project sites, supplementing the existing data and information already generated by the ADIC. The project M&E system would cover: (i) implementation progress including physical and financial status; (ii) progress towards achievement of PDO indicators; and (iii) execution of the end of project impact assessment. ADIC will use PAR and CoRe approaches (see Annex, section 4.3 on Participatory Design Consultations) to mobilize smallholder farmers, students, teachers, and youth as part of design/planning, implementation and monitoring. They will take part in monitoring and evaluating project outcomes as well as share lessons and explore ways to improve progress towards expected results. During project preparation, a detailed results framework will be prepared and will guide the formulation of the M&E system for tracking project level indicators. ADIC will leverage its experience in developing M&E systems and frameworks for other organizations such as Norwegian People's Aid (NPA), Committee for Free and Fair Election (Comfrel), and Khmer Youth Association (KYA). It will mobilize relevant resource-persons from its management and other staff dedicated for this project, complemented by consultants to set up system and framework, and to ensure effective implementation of M&E activities. Strong M&E systems for project implementation will be a top priority as will be strengthening the project staff's capacity to plan and execute them. Data collection as part of the project monitoring of progress will be done by project staff in target provinces. Overall responsibility for analysis and reporting is with the project manager in close support of ADIC's Senior Management Team (SMT). Appropriate support would also be provided by the M&E experts to strengthen the Project's M&E system which shape planning, prioritization and implementation of activities. All these arrangements would lay out in the project's PIM.

33. The impact evaluation which assesses project contribution to the evolution of the socio-economic situation and status of the project's beneficiaries would be conducted by an independent institution at project completion. An independent external agency will be employed at the project start to establish the methodology and data base required for a sound impact analysis of this JSDF-funded operation.

34. Project funding will cover technical assistance, training, incremental operating costs, and equipment. The presence of digital devices like mobile phones will be extensively leveraged for geo-tagged data collection and transmission (including photos) and for beneficiary feedback on monitoring and evaluation activities. Individual success stories will be documented to obtain feedback on the quality of service delivery, particularly where SMS or social media may not work owing to language barrier, literacy, or other bottlenecks

35. **Institutional Arrangements and Utilization of M&E.** ADIC would be responsible for planning and coordinating the project's M&E activities. The monitoring and evaluation of the proposed project will be the responsibility of ADIC's M&E staff. The preparation and the implementation monitoring of the project annual workplan and budget (AWPB) will be carried out by ADIC. The reporting requirements for physical progress monitoring, contract-based procurement management, and financial management reporting will also be carried out by ADIC. A semi-annual M&E report would be submitted to the Bank according to the agreed dates, usually in line with the schedules of the implementation support missions. The M&E system will be designed by project consultants, but day to day monitoring of project activities will be led by the project manager, assisted by PAR community coordinators and the field team. Community-based approach would be used, wherever feasible, to help strengthen transparency, ownership and accountability. The M&E would be used to inform NGO and Bank management of the project performance, guide budget allocation, planning and decision making. Where necessary, NGO capacities would be supplemented by national M&E expertise.

Sub-component 3.3. Knowledge Dissemination (US$0.05 million)

36. This sub-component would fund outreach and awareness raising activities. It would fund a consultant for the preparation of a report on lessons learned on project implementation amongst project staff, with the view to improve progress in subsequent years. The project activities would feature several events such as the organization of annual farmers' award, product fair and flower festival for social marketing in 2 provinces (2 annual activities x 3 years). Farmer reflection and re-planning sessions would be organized, involving selected demonstration-farmers and replicant-farmers, teachers, students, TVET's trainees and trainers involved in project's activities, as well as private sector representatives active in input and output marketing activities, and NGOs working to promote upland agriculture. It will develop a compendium of successful sustainable livelihood approaches and technologies as success stories that would be made accessible through web portal, social media, etc. A "lessons learned workshop" would be organized near the end of the project to share the lessons learned with a variety of stakeholders and to encourage replication of farming innovations and scaling up. The quarterly, multi-stakeholder (i. e. government, NGOs, development partners, private sector), meetings will also be a forum for disseminating lessons on an ongoing basis, just like the regular consultations with provincial and district staff.

[1] Proceeds from sales will be retained by the school to be used for bio-garden expansion as well as for school development.

Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant

ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	The project will not be located in an area under legal or international dispute nor competing territorial claims.

Summary of Screening of Environmental and Social Risks and Impacts

The overall project is intended to generate positive environmental benefit because it will will foster the development of horticulture production, by leveraging the favorable natural endowment of the project areas where there are currently several successful commercial horticulture farms and meeting the large and increasing domestic demand for horticulture. The beneficiaries of the proposed project will comprise 20 indigenous communities (IC). The indirect project beneficiaries are estimated to comprise around 25,000 households (or a total of about 100,000 people), who will benefit from visiting the demo-farms or replicant farms in an informal way to learn from their experiences and apply to their own farms, paid labor used during project implementation, enhanced business for input suppliers and traders of farm produce, etc. The potential environmental risks and impacts for the proposed project are : - Under Component 1 support livelihood through innovative farming which may cause: (1) environment, health and safety risk of using pesticides or insecticides if IPM will not be well adopted in the communities, or toxicity by application of chemical intervention in farming; (2) management of solid waste or non-compostable waste such as pesticide containers, plastic bags seedling, structure and equipment for farming; and (3) minor issues on composting problems such as bad odor, pest issues (rodents, insects). It is anticipated that project?s potential negative environmental impacts are expected to be minimal, and there are well known technical practices and procedures to manage and mitigate them including preparation of solid waste management plan and EHS guideline related to farming activities. - Activities under component 2 will be environmentally sustainable water solution for agriculture and adaptation to climate change. The project would fund up to 20 sustainable

small water systems for farm production requirements. The system relies on groundwater and surface water. Hence there is possibility of impact to downstream users and wetland ecosystem as result of running water extraction for irrigation if large amount is expected. The environmental screening checklist, which will be included in the ESMF, will inform the risks and impacts, and mitigation measures will be established ensuring no impact to downstream community, and no impact to wetland ecosystems during project implementation and in the long run when more people/households replicate this type of farming. On the other hand, irrigation solution using gasoline-pumps or diesel engine pumps may lead to minor air pollution and greenhouse gas emission. In this regard the project will be encouraged use renewable energy and appropriate technologies including gravity models and ram-pump. - Under Component 3 will focus improved producers link to market and support service, and - Under component 4 relates to project management, administration, monitoring and evaluation which have no potential environmental risk implication. Access to income generation benefits through adoption of new market-oriented horticulture practices will be voluntary, demand based, and inclusive across the households in the involved ICs in terms of socio-economic, gender, and age differentiation. There will be moderate risks regarding exclusion from consultation, participation, and stakeholder engagement, and these will be addressed within the framework of a SEP and ESMF that is specific to the planned JSDF project activities. Risks concerning the health and safety of local communities, including through interactions with project workers, are low. However, given the linkage to LASED III and contextual risks of operating in remote and vulnerable ICs that have recently received communal land titling with potential residual risks and lingering land disputes, the social risks are considered substantial.

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