

# Report and Recommendation of the President to the Board of Directors

Project Number: 41435-054 Loan Numbers: 2599, 8243

Grant Numbers: 0186, 0191, 0192

August 2017

Proposed Loan and Grant for Additional Financing Kingdom of Cambodia: Tonle Sap Poverty Reduction and Smallholder Development Project

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Asian Development Bank

# **CURRENCY EQUIVALENTS**

(as of 7 August 2017)

Currency unit - riel (KR) KR1.00 = \$0.000244 \$1.00 = KR4,103

#### **ABBREVIATIONS**

| ADB  | <ul> <li>Asian Development Bank</li> </ul>                          |
|------|---|
| DRM  | <ul> <li>disaster risk management</li> </ul>                        |
| DRR  | <ul> <li>disaster risk reduction</li> </ul>                         |
| EMP  | <ul> <li>environmental management plan</li> </ul>                   |
| IEE  | <ul> <li>initial environmental examination</li> </ul>               |
| IFAD | <ul> <li>International Fund for Agricultural Development</li> </ul> |
| LIG  | <ul> <li>livelihood improvement group</li> </ul>                    |
| O&M  | <ul> <li>operation and maintenance</li> </ul>                       |
| PAM  | <ul> <li>project administration manual</li> </ul>                   |
|      |   |

# **NOTE**

In this report, "\$" refers to United States dollars.

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# **PROJECT AT A GLANCE**

| Project Name  Tonie Sap Poverty Reduction and Smallholder Development Project - Additional Financing Cambodia  Country Borrower  Country Borrower  Country Borrower  Subsector(s) Agriculture, natural resources and rural development  Pillar 2: Access to economic opportunities, including jobs, made more inclusive economic growth (IEG) Environmentally sustainable growth (ESG)  Disaster risk management Government (GCD) Partnerships (PAR)  Divisor  Components Implementation International finance institutions (IFI)  Difficial coffinancing  Total  Climate Change Information Adaptation (\$ million) Climate Change impact on the Project Project  Components Government (GCD) Partnerships (PAR)  Disaster risk management Geographic Targeting Geographic Targeting Geographic Targeting SDG Targeting Forestry & Fishe Committee for Secretariat  Volume 1   | ber: 41435-054                            |
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|   |   |
| Total   66.00   |   |
| 1000  |   |

#### I. THE PROPOSAL

- 1. I submit for your approval the following report and recommendation on (i) a proposed loan and (ii) a proposed grant, both to the Kingdom of Cambodia for the additional financing of the Tonle Sap Poverty Reduction and Smallholder Development Project (the original project). The report also describes the proposed administration of a loan to be provided by the International Fund for Agricultural Development (IFAD) for the additional financing of the project, and if the Board approves the proposed loan and grant, I, acting under the authority delegated to me by the Board, approve the administration of the IFAD loan.<sup>1</sup>
- 2. On 8 December 2009, the Asian Development Bank (ADB) approved the original project to address constraints on poverty reduction and smallholder development in Cambodia. To date, solid achievements in productive infrastructure and livelihood improvement have been made in the 196 communes of the five project provinces (Banteay Meanchey, Kampong Cham, Kampong Thom, Siem Reap, and Tboung Khmum). The additional financing will expand these interventions to 271 communes within the original five provinces plus two additional provinces (Battambang and Prey Veng). Consistent with the original project, the additional financing will enhance agricultural productivity, promote diversification, and improve access to markets, resulting in better livelihoods and higher incomes in the project areas. The additional financing will also bring the added benefit of enhanced resilience to disaster and climate risks. The inclusion of women, smallholding farmers, and poor people will remain a priority.

#### II. THE PROJECT

#### A. Rationale

- 3. Development problems in the agriculture sector in Cambodia include low agricultural productivity, underdeveloped value chains, and deteriorating natural capital and high vulnerability to climate threats. For poor people in particular, inefficient use of resources, poor productive infrastructure, and limited access to rural financial services are major constraints. Thanks partly to ADB's support in rural infrastructure, agricultural productivity, and natural resources management since 1998, the average poverty rate for rural areas in Cambodia has been reduced from 53% in 2007 to 20% in 2012.<sup>4</sup> However, the number of vulnerable people remains high; the loss of only \$0.30 per day would bring Cambodia's poverty rate back up to 40%.<sup>5</sup>
- 4. Furthermore, disasters including extreme climate events such as floods and droughts have aggravated adverse impacts on agriculture and other sectors. 6 Cambodia is consistently

<sup>&</sup>lt;sup>1</sup> The revised design and monitoring framework is in Appendix 1.

<sup>&</sup>lt;sup>2</sup> ADB. 2009. Report and Recommendation of the President to the Board of Directors: Proposed Loan and Asian Development Fund Grant and Administration of Grants and Loan to the Kingdom of Cambodia for the Tonle Sap Poverty Reduction and Smallholder Development Project. Manila.

<sup>&</sup>lt;sup>3</sup> ADB provided project preparatory technical assistance for the additional financing of the Tonle Sap Poverty Reduction and Smallholder Development Project (TA 9167-CAM).

<sup>&</sup>lt;sup>4</sup> ADB. 2014. Cambodia: Country Poverty Analysis 2014. Manila.

<sup>&</sup>lt;sup>5</sup> World Bank. 2015. Cambodian Agriculture in Transition: Opportunities and Risks. Washington, DC.

<sup>&</sup>lt;sup>6</sup> Flooding is a regular phenomenon in Cambodia. In 2000, an estimated 750,618 families were affected by floods, 347 people were killed, with physical damage of \$150 million. In 2009, a flood affected 11 provinces and caused damage of \$132 million. Unprecedented floods were experienced with widespread impact on infrastructure and communities, resulting in the death of 250 people, \$625 million in damages, and affecting 1.5 million people in 2011. A severe drought was also experienced in the first 5 months of 2016.

ranked among the top 10 countries most vulnerable to extreme climate events. With climate change, these impacts may worsen over time with adverse implications for competitiveness of the agriculture sector, and even more so for poor people. This makes it essential to continue to build on the successes achieved under the original project with enhanced climate and disaster resilience through an additional financing.

- 5. The proposed additional financing will contribute to (i) the government's Rectangular Strategy on Growth, Employment, Equity, and Efficiency 2014–2018, especially on enhancement of the agriculture sector (diversification, value addition, and productivity) and infrastructure development; and (ii) the Agricultural Sector Strategic Development Plan 2014–2018. The additional financing is also aligned with ADB's Cambodia country partnership strategy and included in the country operations business plan, 2017–2019.8
- 6. **The original project.** On 8 December 2009, ADB approved an amount of \$45.68 million to the Kingdom of Cambodia to finance the original project, including a loan of \$3.40 million and a grant of \$27.30 million from the Asian Development Fund resources, a loan of \$6.69 million and a grant of \$6.69 million financed by IFAD, and a grant of \$1.60 million financed by the Government of Finland. The project became effective on 31 March 2010 with a closing date of 28 February 2018. Its outcome is increased agricultural productivity and improved access to markets in 196 communes in the Tonle Sap Basin. The project has three outputs: (i) community-driven development through a block grant, (ii) enabling environment for increased agricultural productivity and diversification, and (iii) effective project management. The Ministry of Agriculture, Forestry, and Fisheries and the National Committee for Sub-National Democratic Development Secretariat are the executing agencies of the project.
- 7. **Eligibility for additional financing**. The original project meets all eligibility criteria of a well-performing project for additional financing, including (i) timely delivery of expected outputs, with 17 out of 19 output targets achieved, including 417 kilometers of laterite roads rehabilitated against the target of 90 kilometers, and 55,000 hectares of land irrigated against the target of 2,500 hectares; <sup>9</sup> (ii) satisfactory implementation progress: as of 17 August 2017, overall project implementation progress was 96% against the elapsed period of 92%, and cumulative contract awards were \$43.34 million (94.9%) and cumulative disbursements were \$43.63 million (95.5%); (iii) satisfactory compliance with environmental and social safeguard requirements and on-track implementation of the gender action plan; (iv) successful management of risks; and (v) on-track rating in ADB's project performance rating. The additional financing modality is suitable as it will benefit from the original project's design and implementation arrangements. The sector modality will also continue to be used, which has proven to be efficient and effective in the original project.
- 8. **Key lessons**. The original project achieved an overall economic internal rate of return exceeding 26%. <sup>10</sup> This success is mainly explained by the innovative community-driven development approach. Other specific lessons include the following: (i) basic infrastructure investment addressed immediate needs and achieved considerable impact; however, in the context of climate change, infrastructure needs to become more resilient; (ii) laterite roads are

<sup>&</sup>lt;sup>7</sup> Germanwatch. 2014. Global Climate Risk Index 2015: Who Suffers Most from Extreme Weather Events? Weather-related Loss Events in 2013 and 1994 to 2013. Bonn.

<sup>8</sup> ADB. 2014. Cambodia: Country Partnership Strategy, 2014-2018. Manila; and ADB. 2016. Cambodia: Country Operations Business Plan, 2017-2019. Manila.

<sup>&</sup>lt;sup>9</sup> Targets in road and irrigation were well exceeded because (i) commune councils opted for simple designs with actual unit cost for roads and irrigation lower than allocated unit cost and more was built; and (ii) budget was allocated for different types of rural infrastructure but commune councils only prioritized roads and irrigation.

<sup>&</sup>lt;sup>10</sup> Summary of Project Performance (accessible from the list of linked documents in Appendix 2).

only appropriate in case of light traffic and in areas not prone to flood; (iii) investment in irrigation should be made only where there is sufficient water for at least two crops per year; (iv) stronger operation and maintenance (O&M) investment is needed; (v) livelihood improvement groups (LIGs) are a very good vehicle for agriculture extension services and the group modality should be replicated; (vi) the use of district staff and special service providers has proven crucial to project success; and (vii) assigning the National Committee for Sub-National Democratic Development Secretariat as a second executing agency helped improve the original project performance since they worked directly with the commune councils for implementation of output 1, and with ADB on project administration matters without having to go through another agency.

9. The additional financing will coordinate with relevant projects financed by ADB and other development partners,<sup>11</sup> in particular with the Community-Based Disaster Risk Reduction Project to integrate disaster risk management (DRM) in the commune planning process, and with the Investment Assessment and Application of High-Level Technology for Food Security in Asia and the Pacific on the application of climate-resilient rice varieties.<sup>12</sup> It will also coordinate with the Climate-Resilient Rice Commercialization Sector Development Project by developing secondary and tertiary canals to connect with the sector development project's canals,<sup>13</sup> and adopt climate-resilience measures in road design developed under the Rural Roads Improvement Project.<sup>14</sup>

# B. Impact and Outcome

10. The additional financing will scale up project activities in the original five provinces and the additional two provinces. It will also change the original project scope by enhancing climate and disaster resilience. The aggregate impact will be livelihoods and climate resilience in target communes in seven provinces in the Tonle Sap Basin improved. The aggregate outcome will be agricultural productivity increased, climate and disaster resilience strengthened, and access to markets improved in 271 communes in seven provinces in the Tonle Sap Basin.

# C. Outputs

11. Output 1: Rural productive infrastructure and livelihood improved with capacity in disaster risk management enhanced. The additional financing will focus on climate- and disaster-resilient roads and irrigation schemes. It will rehabilitate an additional 450 kilometers of roads and upgrade irrigation infrastructure for an additional 6,000 hectares of land to allow for at least two crops per year. Infrastructure subprojects will also be registered in the national asset inventory to ensure O&M beyond the additional financing implementation period. The existing 1,241 LIGs will be strengthened and an additional 759 LIGs will be established. An LIG association will also be established with financial contribution from LIG members themselves to improve the group sustainability. Further, DRM in target communes will be strengthened through

<sup>11</sup> Development Coordination (accessible from the list of linked documents in Appendix 2).

<sup>&</sup>lt;sup>12</sup> ADB. 2014. Grant Assistance Report: Proposed Grant Assistance Cambodia: Community-Based Disaster Risk Reduction (Financed by the Japan Fund for Poverty Reduction). Manila; and ADB. 2016. Technical Assistance Report: Investment Assessment and Application of High Level Technology for Food Security in Asia and the Pacific. Manila.

<sup>13</sup> ADB. 2013. Report and Recommendation of the President to the Board of Directors: Proposed Loans and Administration of Grants and Loan to the Kingdom of Cambodia for the Climate-Resilient Rice Commercialization Sector Development Program. Manila.

ADB. 2010. Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Kingdom of Cambodia for the Rural Roads Improvement Project. Manila.

<sup>&</sup>lt;sup>15</sup> Infrastructure in the additional financing involves a higher level of improvement in climate resilience than in the original project and therefore requires a much higher unit cost.

training on identifying, planning, and implementing disaster risk reduction (DRR) measures, including incorporating DRR considerations in infrastructure subprojects.

- 12. Output 2: Enabling environment for increased agricultural productivity, diversification, and climate resilience created. With regard to productivity and climate resilience, training on climate-smart agriculture practices<sup>16</sup> will be provided to 200 paddy selling groups, LIGs and market improvement groups.<sup>17</sup> Production of four climate-resilient rice seed varieties will be promoted upon confirmation of market demand. Beyond production, to ensure diversification of agriculture products, the additional financing will also improve value addition for both rice and nonrice products such as vegetables, fish and chicken through (i) establishing multistakeholder value chain platforms by bringing producers, processors and buyers together, (ii) establishing 364 market improvement groups, (iii) strengthening 103 existing small-scale agribusinesses, and (iv) establishing at least a further 97 agribusinesses.
- 13. **Output 3: Project management strengthened.** The existing executing agencies will continue to manage the project. Support in project management will continue for project staff at national, provincial, district, and commune levels. Consulting services and special service providers' support will be extended or recruited as required.

# D. Investment and Financing Plans

14. The project is estimated to cost \$66.0 million (Table 1). Detailed cost estimates by expenditure category and by financier are included in the project administration manual (PAM).<sup>18</sup>

**Table 1: Project Investment Plan** 

(\$ million)

| Iter | n  |   | Current<br>Amount <sup>a</sup> | Additional<br>Financing <sup>b</sup> | Total                  |
|------|----|---|--------------------------------|--------------------------------------|------------------------|
| Α    | Ba | se cost   |                                |                                      |                        |
|      | 1  | Rural productive infrastructure and livelihood improved with capacity in disaster risk management enhanced    | 38.08                          | 48.63                                | 86.71                  |
|      | 2  | Enabling environment for increased agricultural productivity, diversification, and climate resilience created | 1.04                           | 6.50                                 | 7.54                   |
|      | 3  | Project management strengthened <b>Subtotal (A)</b> <sup>c</sup>  | 8.65<br><b>47.77</b>           | 3.94<br><b>59.07</b>                 | 12.59<br><b>106.84</b> |
| В    | Co | ntingencies d´  | 3.28                           | 5.88                                 | 9.16                   |
| С    |    | ancial Charges During Implementation <sup>e</sup>   | 0.10                           | 1.05                                 | 1.15                   |
|      |    | Total (A+B+C)   | 51.15                          | 66.00                                | 117.15                 |

<sup>a</sup> Refers to the original amount. Includes taxes and duties of \$4.75 million, financed from the Asian Development Bank (ADB) and government resources.

<sup>c</sup> In mid-2017 prices.

d Physical contingencies computed at 5% for all cost categories except revolving fund. Price contingencies computed at average of 1.5% on foreign exchange costs. Price contingencies for local currency costs computed at 3.4% for 2017 and 3.5% thereafter, and include a provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

e Includes interest charges during construction for the ADB loan computed at 1.00% during the life of the project, and

<sup>16</sup> Examples of climate-smart agriculture practices include (i) soil management to reduce erosion and loss of nutrients; (ii) adoption of flood- and drought-tolerant crop varieties; and (iii) efficient water management practices.

<sup>18</sup> Project Administration Manual (accessible from the list of linked documents in Appendix 2).

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<sup>&</sup>lt;sup>b</sup> Includes taxes and duties of \$4.58 million. The government will finance taxes and duties on items paid for by the government, and taxes and duties for goods and services procured through exemption. ADB will finance taxes and duties only for expenditures of civil works, capacity building, and operation and maintenance financed by ADB.

<sup>&</sup>lt;sup>17</sup> LIG members are poor farmers who produce for subsistence purpose, while the market improvement group members focus on commercial production of chicken, vegetables, and other products. Paddy selling groups are linked to irrigation development and do not necessarily overlap with the LIGs.

service charges for the International Fund for Agricultural Development loan computed at 0.75% per annum of the average drawn down balance.

Source: Asian Development Bank estimates.

15. The government has requested (i) a concessional loan of \$45,725,000 from ADB's ordinary capital resources, and (ii) a grant not exceeding \$4,275,000 from ADB's Special Funds resources (Asian Development Fund) to help finance the project. The ADB loan will have a 32-year term, including a grace period of 8 years; an interest rate of 1.0% per year during the grace period and 1.5% per year thereafter; and such other terms and conditions set forth in the draft loan agreement. IFAD will provide loan cofinancing equivalent to \$10,000,000 for agribusiness development, to be partially administered by ADB. From the total project cost, \$12,820,000 will be spent on DRR. The ADB loan and grant will support infrastructure and livelihood improvement. The government will finance the equivalent of \$6.0 million for the salaries of counterpart staff, land acquisition and resettlement costs, and taxes and duties for goods and services through exemption and for items paid for by the government. The financing plan is in Table 2.

Table 2: Financing Plan

|                                     | Curr         | ent <sup>a</sup> | Additional   | Financing | Tot          | al       |
|-------------------------------------|--------------|------------------|--------------|-----------|--------------|----------|
|                                     |              |                  |              |           | _            | Share    |
|                                     | Amount       | Share of         | Amount       | Share of  | Amount       | of Total |
| Source                              | (\$ million) | Total (%)        | (\$ million) | Total (%) | (\$ million) | (%)      |
| Asian Development Bank              | 30.70        | 60.0             | 50.00        | 75.8      | 80.70        | 68.9     |
| OCR concessional loan (ADF loan)    | 3.40         | 6.6              | 45.73        | 69.3      | 49.13        | 41.9     |
| ADF grant                           | 27.30        | 53.4             | 0.00         | 0.0       | 27.30        | 23.3     |
| ADF disaster risk reduction (grant) | 0.00         | 0.0              | 4.27         | 6.5       | 4.27         | 3.7      |
| IFAD                                | 13.38        | 26.2             | 10.00        | 15.1      | 23.38        | 19.9     |
| Loan                                | 6.69         | 13.1             | 10.00        | 15.1      | 16.69        | 14.2     |
| Grant                               | 6.69         | 13.1             | 0.00         | 0.0       | 6.69         | 5.7      |
| Government of Finland (grant)       | 1.60         | 3.1              | 0.00         | 0.0       | 1.60         | 1.4      |
| Government of Cambodia              | 5.47         | 10.7             | 6.00         | 9.1       | 11.47        | 9.8      |
| Total                               | 51.15        | 100.0            | 66.00        | 100.0     | 117.15       | 100.0    |

ADF = Asian Development Fund, IFAD = International Fund for Agricultural Development, OCR = ordinary capital resources.

Source: Asian Development Bank estimates.

16. Climate adaptation measures are estimated to cost \$10.48 million through activities to improve communities' livelihood for resilience enhancement, and adoption of climate-smart agriculture practices and climate-responsive measures in infrastructure design. The cost of implementation of climate adaptation measures will be fully financed by ADB loan and grant.

# E. Implementation Arrangements

17. The implementation arrangements are summarized in Table 3 and described in detail in the PAM (footnote 18).

**Table 3: Implementation Arrangements** 

| Aspects                   | Arrangements                                      |  |
|---------------------------|---|--|
| Implementation period     | January 2018–January 2023                         |  |
| Estimated completion date | 31 January 2023 (closing 31 July 2023)            |  |
| Management                |   |  |
| (i) Oversight body        | The Council for Agriculture and Rural Development |  |

<sup>&</sup>lt;sup>19</sup> ADB is not a lender of record and will provide partial administration of the IFAD loan for disbursement and procurement.

<sup>&</sup>lt;sup>a</sup> Refers to the original amount.

| Aspects                         | Arrangements   |              |              |  |
|---------------------------------|--|--------------|--------------|--|
| (ii) Executing agencies         | MAFF and NCDDS   |              |              |  |
| (iii) Key implementing agencies | MAFF and NCDDS   |              |              |  |
| (iv) Implementation unit        | Phnom Penh, 22 staff   |              |              |  |
| Procurement                     | NCB (works)  | 23 contracts | \$30,252,500 |  |
|                                 | Shopping (works)   | 69 contracts | \$2,000,000  |  |
|                                 | NCB (goods)  | 4 contracts  | \$861,425    |  |
|                                 | Shopping (goods)   | 2 contracts  | \$12,392     |  |
| Consulting services             | QCBS   | 3 contracts  | \$6,252,311  |  |
|                                 | Individual consultant selection                                  | 1,113 pm     | \$1,671,601  |  |
|                                 | Single source selection  | 1 contract   | \$1,276,077  |  |
| Advance contracting             | Advance actions include four                                     |              |              |  |
|                                 | works packages for the representative subprojects; and six goods |              |              |  |
|                                 | packages for vehicles, motorcyc                                  |              |              |  |
| Disbursement                    |  |              |              |  |
|                                 | Disbursement Handbook (2017, as amended from time to time) and   |              |              |  |
|                                 | detailed arrangements agreed upon between the government and     |              |              |  |
|                                 | ADB.   |              |              |  |

ADB = Asian Development Bank; MAFF = Ministry of Agriculture, Forestry, and Fisheries; NCB = national competitive bidding; NCDDS = National Committee for Sub-National Democratic Development Secretariat; pm = person-month QCBS = quality- and cost-based selection.

Source: Asian Development Bank estimates.

18. Implementation arrangements remain the same, whereby the Ministry of Agriculture, Forestry, and Fisheries, and the National Committee for Sub-National Democratic Development Secretariat are the executing agencies. Provincial and district support teams will be established with seconded government staff from the respective departments. Commune councils will support all activities implemented at the commune level. The provincial teams will liaise with the Provincial Departments of Rural Development and the Provincial Departments of Water Resources and Meteorology to ensure that the respective departments are fully engaged in infrastructure planning, procurement, design approval, asset registration, and O&M. Project management will continue to be supported by the project implementation consulting firm engaged under the original project to enhance efficiency, using the single source selection method. With the advance actions under way, the additional financing has high procurement readiness.

#### III. DUE DILIGENCE

#### A. Technical

- 19. The additional financing will use designs proven to be compatible with local conditions and community capacity for O&M. The following additional refinements will be made to ensure sustainability, climate change adaptation, and DRR: (i) roads—increase road level to at least 0.5 meters above the maximum flood level, pave the road surface, and improve drainage; (ii) irrigation—ensure canal capacity is adequate and the top of canal banks are above maximum flood levels, ensure that farmers can drain their fields without resorting to damaging structures, and strengthen canal walls and erosion and scour protection for sluice gates; and (iii) embankments—use good quality materials and improve compaction of materials during construction, reduce embankment slopes where possible, and protect slopes.
- 20. Based upon the commune investment plans, candidate subprojects will be identified, screened against eligibility criteria, and prioritized. All proposed subprojects will require an initial study to determine economic viability, climate and disaster resilience measures, and social and environmental impacts. If the results of the study confirm that all subproject selection criteria are

met, the subprojects can proceed. If there is a risk of not meeting any of the requirements, a full feasibility study for the subproject will be required. Feasibility studies for two representative subprojects were carried out during project preparation and subproject viability was confirmed.<sup>20</sup>

#### B. Economic and Financial

21. Economic and financial analyses were conducted for two representative subprojects. <sup>21</sup> In addition to rural infrastructure improvement, the analysis also considered the positive impact of LIGs and value chain support in the subproject area. The economic internal rate of return for the irrigation subproject is 19.1%, based on increase in cultivation area, improved yield and crop and livestock diversification, and for the road subproject is 16.7%, based on vehicle operating cost saving, time cost savings, and crop and livestock diversification. The poverty impact ratio for the irrigation subproject is 27.8% and for the road subproject is 34.2%. The financial analysis indicates that the two subprojects will augment farm income substantially. Sensitivity analysis indicates that the economic viability is robust against downside risks, including investment cost and maintenance cost overrun, reduction in project benefits, and project delay by 1 year. The additional financing will allocate 10% of infrastructure budget to cover O&M during the initial years with consultants supporting the organization and training of the communities for O&M. It will also apply DRR measures, and register subprojects in the national asset inventory for O&M to be undertaken by the government to extend the economic life of the physical assets.

# C. Governance

- 22. All procurement and recruitment of consultants to be financed by the ADB loan and grant and by the IFAD loan will be carried out in accordance with ADB's Procurement Guidelines (2015, as amended from time to time) and Guidelines on the Use of Consultants (2013, as amended from time to time). Project implementation, procurement, and financial management will be aligned with the government's standard operating procedures for externally financed projects. The procurement classification for the additional financing is assessed as moderate risk. Procurement capacity will be strengthened with assistance by procurement and contract administration officers at all levels. Most of the procurement for works will be conducted at the provincial level.
- 23. The financial management assessment concluded that the premitigation financial management risk level for the additional financing was substantial. An action plan was recommended to ensure that (i) audited financial statements are submitted on time by preparing the draft statements and required information early, and (ii) internal audit reports are submitted annually to ADB. The government has increased the number of pre-qualified independent auditors acceptable to ADB and is willing to recruit more than one firm to audit ADB funded projects to ensure that the audited project financial statements that are in accordance with auditing standards acceptable to ADB are submitted to ADB within 6 months after the end of each related fiscal year.
- 24. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and the executing agencies. The specific policy requirements and supplementary measures are described in the PAM (footnote 18).

<sup>&</sup>lt;sup>20</sup> Subproject Feasibility Studies (accessible from the list of supplementary documents in Appendix 2).

<sup>&</sup>lt;sup>21</sup> Economic and Financial Analysis (accessible from the list of linked documents in Appendix 2).

# D. Poverty and Social

- 25. The headcount poverty index for the target provinces varies by source of data, but the poverty level in all of the seven provinces of the additional financing is equal to or higher than the national rural poverty level of 20%. In many villages under the additional financing, the population consists largely of elderly smallholder farmers taking care of their grandchildren. Many of the households currently classified as no longer being poor are extremely vulnerable, and access to improved livelihoods will improve the health and nutrition status of households and reduce the risk of them falling back into poverty because of medical expenditure.
- 26. **Gender and development.** The additional financing is categorized as effective gender mainstreaming. It will promote gender equality and women's empowerment through enhancing women's capacity in climate-smart agriculture, entrepreneurship, resilience to climate change and disasters, and access to basic financing. Women will be targeted for employment in construction, rehabilitation and O&M of infrastructure. Moreover, women's meaningful participation in decision-making positions in the LIGs, market improvement groups, and service teams will be supported. A gender action plan has been prepared for the additional financing, which includes gender actions, performance indicators, and targets to promote women's voice and active participation in all project activities. Key gender targets include the following: (i) at least 25% of unskilled workers employed are women, (ii) at least one woman to be elected to each management committee of the new LIGs and service teams, (iii) at least 60% of rural loans are taken by women, (iv) commune councilors from selected communes receive gender-responsive DRM training, (v) at least 200 agribusiness enterprises (30% owned by women) are operational, and (vi) at least 40% of market improvement group and paddy selling group members are women.
- 27. Gender action plan implementation is on-track under the original project, which showed that women are the main direct beneficiaries of LIG-related activities, and access to rural loans and LIGs has been a successful vehicle for delivering financial resources and technology to promote diversification of income-generating agriculture activities. The following has enabled women to extend their livelihood options and get better incomes to support their family: (i) all LIGs have at least one woman elected to the management committees and 52% of LIG management committee members are women, (ii) 54% of LIG members are women, (iii) 58% of rural loans were taken by women, (iv) 67% of participants in refresher training on financial literacy and business plans for LIGs were women, (v) 65% of women LIG members prepared business plans, and (vi) 64% of LIG members who participated in training needs assessment were women.

# E. Safeguards

28. **Environment (category B).** Proposed development of rural infrastructure and livelihood activities has potential for site-specific adverse construction environmental impacts, including loss of boundary vegetation, dust, noise, and disturbance of access and agricultural activities. These impacts can be effectively reduced through appropriate site alignment and design, consideration of seasonal constraints, implementation of mitigation measures, and regular maintenance. The additional financing is expected to increase agricultural productivity, which will increase demands on water and has potential to increase the use of chemical pesticides. An initial environmental examination (IEE) including an environmental management plan (EMP) has been prepared for two representative subprojects.<sup>22</sup> The IEE includes a detailed water balance and has confirmed that the water sources are sustainable. Training on integrated pest management approaches is included in the capacity building program. Public consultations were carried out and will continue

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<sup>&</sup>lt;sup>22</sup> Initial Environmental Examination (accessible from the list of linked documents in Appendix 2).

during subproject implementation. The IEE and the EMP will serve as a template for future subprojects, which are not subject to domestic environmental assessment requirements.

- 29. An environmental assessment and review framework has been prepared to provide guidance on processes to be followed for future subproject selection, screening, assessment, and implementation. Subprojects classified as category A will not be financed. Adequate resources have been allocated for environmental safeguards assessment, implementation, monitoring, and reporting. Consulting services will provide capacity development support for EMP implementation. Environmental complaints will be handled through a safeguards grievance redress mechanism. The environmental assessment and review framework and the draft IEE were disclosed on the ADB website on 18 June 2017. The final IEE will be updated and disclosed following detailed engineering design. The project is classified as *medium* climate risk. A climate and disaster risk assessment has been prepared and all subprojects will be screened for climate and disaster risks and incorporate risk reduction measures.<sup>24</sup> The representative subprojects include flood-resilient design specifications such as canal wall strengthening, erosion and scour protection for sluice gates, increase in road height, additional drainage structures, and slope stabilization measures.
- 30. **Involuntary resettlement (category B)**. There will be no significant involuntary physical or economic dislocation, relocation, or loss of livelihood. Land acquisition will be limited and is expected to comprise (i) thin strips of land to accommodate irrigation canal construction and access road improvement within irrigation schemes, or (ii) minor road widening to accommodate raised profiles and reduced slopes on verges when roads are rehabilitated to incorporate climate resilience and DRR measures. These strips of land may be acquired through voluntary donation, negotiated settlement, or involuntary land acquisition and resettlement for those not willing to donate land voluntarily. Since no involuntary resettlement is expected in the two representative subprojects, no land acquisition and resettlement plan is required, although two due diligence reports have been prepared. A resettlement framework has been prepared and will be used to (i) further screen and select subprojects during implementation, rejecting all category A subprojects; (ii) guide the preparation of land acquisition and resettlement plans where required; and (iii) conduct and report the due diligence required to establish voluntary land donation bona fides.<sup>25</sup>
- 31. **Indigenous peoples (category B)**. An indigenous peoples planning framework has been prepared. <sup>26</sup> Only nine out of the 271 communes are inhabited by indigenous peoples. The indigenous peoples will benefit alongside majority communities, but efforts will be made to ensure their participation. The executing agencies will ensure that all ethnic minority groups in and around proposed subproject locations are (i) consulted on their willingness to participate and the suitability of the sites and subproject activities, and (ii) given an equal opportunity to participate in subproject activities including training. For the two representative subprojects, no indigenous peoples are present and no indigenous peoples plan is required. Screening will be conducted for all subprojects following procedures set out in the indigenous peoples planning framework, and if indigenous peoples are the sole or the overwhelming majority of direct project beneficiaries, and when only positive impacts are identified, the elements of an indigenous peoples plan could be included in the overall subproject design rather than in a separate indigenous peoples plan. If adverse impacts are expected, an indigenous peoples plan will be prepared.

<sup>&</sup>lt;sup>23</sup> Environmental Assessment and Review Framework (accessible from the list of linked documents in Appendix 2).

<sup>&</sup>lt;sup>24</sup> Project Climate and Disaster Risk Assessment (accessible from the list of linked documents in Appendix 2).

<sup>&</sup>lt;sup>25</sup> Resettlement Framework (accessible from the list of linked documents in Appendix 2).

<sup>&</sup>lt;sup>26</sup> Indigenous Peoples Planning Framework (accessible from the list of linked documents in Appendix 2).

# F. Risk and Mitigation Measures

32. Major risks and mitigating measures are summarized in Table 4 and described in detail in the risk assessment and risk management plan.<sup>27</sup>

**Table 4: Summary of Risks and Mitigating Measures** 

| Risks                                     | Mitigation Measures  |
|---|--|
| Adverse climatic effects on production    | Diversification of crops and livelihood options, and adoption of |
|   | climate-smart agriculture practices.                             |
| Poor quality and poor maintenance of      | Supervision and monitoring by a construction design and          |
| small-scale infrastructure                | supervision consultant team; use of operation and maintenance    |
|   | budget; and use of climate-resilient construction measures.      |
| Late submission of the annual project     | Auditors are instructed by Ministry of Economy and Finance to    |
| financial statements and audit reports to | prepare draft audit reports within 4 weeks of fieldwork and      |
| the Asian Development Bank                | complete their report on time.                                   |
| Weak internal audits                      | Executing agencies staff are trained to prepare internal audit   |
|   | reports for timely submission to the Asian Development Bank.     |

Source: Asian Development Bank.

#### IV. ASSURANCES

33. The government and the executing agencies have assured ADB that implementation of the project shall conform to all applicable ADB policies including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement as described in detail in the PAM, other project documents, and the loan and grant agreements.

#### V. RECOMMENDATION

- 34. I am satisfied that the proposed loan and grant would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve
  - (i) the loan of \$45,725,000, to the Kingdom of Cambodia for the additional financing of the Tonle Sap Poverty Reduction and Smallholder Development Project, from ADB's ordinary capital resources, in concessional terms, with an interest charge at the rate of 1.0% per year during the grace period and 1.5% per year thereafter; for a term of 32 years, including a grace period of 8 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board: and
  - (ii) the grant not exceeding \$4,275,000, to the Kingdom of Cambodia from ADB's Special Funds resources (Asian Development Fund) for the additional financing of the Tonle Sap Poverty Reduction and Smallholder Development Project, on terms and conditions that are substantially in accordance with those set forth in the draft grant agreement presented to the Board.

Takehiko Nakao 30 August 2017 President

<sup>27</sup> Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

# **REVISED DESIGN AND MONITORING FRAMEWORK**

# Impacts the Project is Aligned with Current project

Livelihoods in target communes in five provinces in Tonle Sap Basin improved by 2020.

# Overall project

Livelihoods and climate resilience in target communes in seven provinces in the Tonle Sap Basin improved (aligned with the Rectangular Strategy for Growth, Employment, Equity, and Efficiency phase III).

| with the Rectangular Strategy for Growth, Employment, Equity, and Efficiency phase III).  |  |  |  |  |  |
|---|--|--|--|--|--|
|   | Performance Indicators   | Data Sources and   | <b>-</b>   |  |  |
| Results Chain   | with Targets and Baselines   | Reporting  | Risks  |  |  |
| Outcome Current project Agricultural productivity increased and improved access to markets created in 196 communes in five provinces in the Tonle Sap Basin                                 | Current project By 2017 in participating communes: a. Average rice yields increased to more than 3.50 t/ha (Cambodia, Lao PDR, Thailand, and Viet Nam average 3.40 t/ha in 2007) b. Average rice yields of poor households in target communes increased to more than 2.8 t/ha for wet season rice production (baseline: 1.4 t/ha in 2013) c. Diversified farming systems reduce share of household income from rice by 20% (baseline: income from rice is 50% of agriculture income in 2013) d. Marketed farm and off-farm products increased by 25% (baseline: 40% of households do not sell any farm or off-farm products in 2013) | a. Sample crop cuts using FAO methodology b. Provincial agricultural statistics c. LIG and MIG records in project communes c–d. Household and commune surveys e. Project reports | Adverse climatic effects on production   |  |  |
| Overall project Agricultural productivity increased, climate and disaster resilience strengthened, and access to markets improved in 271 communes in seven provinces in the Tonle Sap Basin | Overall project  By 2024 in participating communes: a. Unchanged b. Average rice yields of poor households in target communes increased to minimum 3.5 t/ha for wet season rice production (baseline: 3.0 t/ha in 2016 with project support) c. Unchanged d. Unchanged e. DRR planning adopted in all vulnerable communes (baseline: 0)  |  |  |  |  |
| Outputs Output 1 Current project Community-driven development through a commune block grant Overall project Rural productive infrastructure and   | 1a.  Current project  Commune block grants established in 196 communes and fully operational by Q1 2013 (completed)  Overall project:  Commune block grants established in 271 communes and fully operational by Q4 2021 (baseline: 196 communes in 2016)  | 1a. Commune council reports  | Poor quality of construction of small-scale infrastructure and the lack of maintenance |  |  |
| livelihood improved<br>with capacity in<br>disaster risk<br>management<br>enhanced  | 1b. <b>Current project</b> 90 km of rural roads and small-scale irrigation and drainage facilities covering 2,500 ha of farmland improved (target exceeded; 417 km of laterite and earth roads have been rehabilitated and irrigation systems have been improved to service 55,000 ha including 5,000 ha of dry season crops).   | 1b. Quarterly progress reports   |  |  |  |

| Results Chain | Performance Indicators with Targets and Baselines   | Data Sources and Reporting         | Risks |
|---------------|---|------------------------------------|-------|
| TOSURO SHUIII | Overall project:  By 2023, at least 867 km of rural roads improved, including 450 km of roads that contribute to DRR (baseline: 417 km of roads and 0 km of roads that contribute to DRR) and small-scale irrigation provided to cover 11,000 ha farmland to support at least two crops per year (baseline: 5,000 ha of farmland that is irrigated for at least two crops per year in 2017)  At least 25% of unskilled workers for the construction/rehabilitation of project-supported infrastructure are women (baseline: 25% in 2016). | Roporting                          | INIJA |
|               | 1c.  Current project  1,200 LIGs are formed and have access to extension, quality seeds, and rural finance (through revolving funds and/or microfinance) (target exceeded; 1,241 LIGs established).  Overall project  At least 2,000 LIGs are formed and have access to extension, quality seeds, and rural finance through savings and/or revolving funds (baseline: 1,241 LIGs in 2016) and at least 70% of them have received training on DRM and adopted climate-resilient practices by 2021 (baseline: 0 training on DRM in 2017).   | 1c. Commune council reports        |       |
|               | 1d.  Current project  70% of LIGs are fully operational and 50% of rural loans are taken by women by 2014 (completed).  Overall project  1600 LIGs (80% of all LIGs) fully operational and at least 60% of rural loans are taken by women by 2020 (baseline: 1,020 LIGs fully operational in 2017 and 58% of loans were taken by women under current project).  | 1d. Quarterly progress reports     |       |
|               | 1e.  Current project  At least one woman is elected to a three-person management committee of any LIG (completed for current LIGs).  Overall project Unchanged  | 1e. Survey reports                 |       |
|               | 1f.  Current project  Monthly coordination at the district level and monthly coordination at the provincial level to provide timely support and follow up to avoid delay in implementation and/or fund flow (ongoing)  Overall project: Unchanged   | 1f.–1g. Quarterly progress reports |       |

|                                       | Performance Indicators   | Data Sources and  |                                   |
|---------------------------------------|--|-------------------|-----------------------------------|
| Results Chain                         | with Targets and Baselines   | Reporting         | Risks                             |
|                                       | Overall project (added)  |                   |                                   |
|                                       | 1g. By 2019, commune councilors from at least  |                   |                                   |
|                                       | 100 communes have received training on   |                   |                                   |
|                                       | gender-responsive DRM and are able to  |                   |                                   |
|                                       | mainstream DRR into their commune  |                   |                                   |
|                                       | development planning process (baseline: 0 DRM  |                   |                                   |
|                                       | training in 2017)  |                   |                                   |
| Output 2                              |  |                   |                                   |
| Current project                       | Current project  | 2a.–2o. Quarterly | Market does not                   |
| Enabling                              | 2a. Manuals and handbook on rice and   | progress reports  | respond well to                   |
| environment for                       | vegetable seeds production and animal  |                   | climate-resilient rice varieties. |
| increased<br>agricultural             | production are developed (completed)  2b. Ensure gender issues will be incorporated in |                   | rice varieties.                   |
| productivity and                      | pilot testing of agriculture policy initiatives  |                   |                                   |
| diversification                       | (completed)  |                   |                                   |
|                                       | 2c. 35 rice seed producer groups became  |                   | •                                 |
| Overall project                       | commercial seed producers and distributors   |                   |                                   |
| Enabling                              | (completed)  |                   |                                   |
| environment for                       | 2d. At least one woman is elected to a three-  |                   |                                   |
| increased                             | person management committee of any   |                   |                                   |
| agricultural                          | established seed producer group (completed)  |                   |                                   |
| productivity,<br>diversification, and | 2e. 196 CEW and CMAWs equipped with mobile   |                   |                                   |
| climate resilience                    | devices and receive technical training for   |                   |                                   |
| created                               | dissemination of agricultural technologies   |                   |                                   |
| Cicatca                               | information and marketing information  |                   |                                   |
|                                       | (completed)  |                   |                                   |
|                                       | 2f. Project website established and provides a   |                   |                                   |
|                                       | source of information and multimedia content on  |                   |                                   |
|                                       | agricultural technologies (ongoing)  |                   |                                   |
|                                       | 2g. 224 DFT and DST with enhanced computer   |                   |                                   |
|                                       | skills to support the CEW or CMAWs and   |                   |                                   |
|                                       | commune councils (completed) 2h. 123 commune councils are equipped with                |                   |                                   |
|                                       | solar power (completed).   |                   |                                   |
|                                       | 2i. 196 commune councils are equipped with   |                   |                                   |
|                                       | laptop computers and other ICT-related   |                   |                                   |
|                                       | equipment (completed)  |                   |                                   |
|                                       | 2j. 100 tons of registered rice seeds and 2 tons                                       |                   |                                   |
|                                       | of registered vegetable seeds produced (117  |                   |                                   |
|                                       | tons of registered rice seeds have been  |                   |                                   |
|                                       | produced; vegetable seeds were not pursued as  |                   |                                   |
|                                       | they are available in the market)  |                   |                                   |
|                                       | 2k. 2,500 tons of certified rice seeds and 15 tons                                     |                   |                                   |
|                                       | of vegetable seeds produced by rice seed   |                   |                                   |
|                                       | producer groups (ongoing; 1,628 tons of certified                                      |                   |                                   |
|                                       | rice seed produced; vegetables seeds   |                   |                                   |
|                                       | production was not pursued as seeds are  |                   |                                   |
|                                       | available in the market)   |                   |                                   |
|                                       | Overall project 2a.–2d. Unchanged  |                   |                                   |
|                                       | 2e. By 2018, 271 CMAWs receive technical   |                   |                                   |
|                                       | training for dissemination of agricultural   |                   |                                   |
|                                       | technologies information and marketing   |                   |                                   |
|                                       | information (baseline = 196 in 2017)   |                   |                                   |
|                                       | 2f-2i. Unchanged   |                   |                                   |
|                                       | 2j.—2k. Combined into  |                   |                                   |
|                                       | 2j. At least 150 tons of climate-resilient certified                                   |                   |                                   |
|                                       | rice seeds and 2,500 tons of climate-resilient   |                   |                                   |

|  | Performance Indicators  | Data Sources and  |  |
|--|---|---|--|
| Results Chain  | with Targets and Baselines  | Reporting   | Risks  |
|  | commercial rice seeds are produced by 2020 (baseline = 0 in 2016).  |   |  |
|  | Overall project (added)  2k. By 2022, climate-smart agriculture practices for rice and two nonrice crops introduced to at least 100 communes (baseline = 0 in 2017)  2l. By 2022, at least 364 MIGs and 200 paddy selling groups formed and supported in climate-resilient value chain diversification (baseline = 0). At least 40% of MIGs and paddy selling group members are women (baseline = 0 in 2017).  2m. By 2022, each chicken MIG will reach sales of \$25,000/year and each nonchicken MIG will reach sales of \$50,000/year (baseline = 0 in 2017)  2n. By 2022, ICT knowledge for project management and agricultural value chains in all participating communes improved (baseline = 0 in 2017)  2o. By 2022, at least 200 agribusiness enterprises (of which 30% are owned by women) <sup>a</sup> such as chick production and feed production are operational (baseline: 103 chick production micro enterprises [28% owned by women] and 14 animal processing micro enterprises established [28% owned by women] in current project in 2017) |   |  |
| Output 3 Current project Effective project management ensured Overall project Project management | Current project 3a. Timely project completion within the budget 3b. Ensure GAP is fully implemented and monitored (ongoing) Overall project: Unchanged  | 3a. Quarterly progress reports, 3b. GAP monitoring report | Delays in<br>submission of<br>annual project<br>financial<br>statements and<br>audit reports |
| strengthened   |   |   | Weak internal audits   |

#### **Key Activities with Milestones**

- 1. Rural productive infrastructure and livelihood improved with capacity in disaster risk management enhanced
- 1.1 Identify priority infrastructure or facilities and include in the commune investment plans (unchanged).
- 1.2 Monitor and supervise contractors' performance, and assess the quality of completed civil works (unchanged).
- 1.3 Provide training for commune councils from 196 communes on LIG project management (completed).
- 1.4 Monitor and provide support to LIGs (unchanged).
- 1.5 Set up commune block grants and recruit CMAWs for 75 additional communes by Q4 2018 (added).
- 1.6 Recruit an infrastructure design and construction supervision consultant team by Q3 2018 (added).
- 1.7 Revise and update PIM and provide commune PIM training to 75 communes and refresher training to 196 communes by Q2 2019 (added).
- 1.8 Complete initial studies, applicable feasibility studies, engineering designs, and bid documents for all additional subprojects by Q4 2021 (added).
- 1.9 All designs approved by appropriate provincial authorities (2019–2022) (added).
- 1.10 Complete construction and/or rehabilitation of 450 km of rural roads incorporating DRR measures by 2022 (added).
- 1.11 Complete construction and/or rehabilitation of irrigation schemes to cover at least 6,000 ha of land for at least two crops per year by 2022 (added).
- 1.12 Assess the quality of civil works (2019–2022) (added).
- 1.13 Register all subprojects in government asset inventory (2019–2022) (added).
- 1.14 Organize O&M activities with the commune councils and communities (2019–2022) (added).

# **Key Activities with Milestones**

- 1.15 Recruit special service provider to (i) monitor the formation of LIGs, (ii) ensure LIG financial management and technical mentoring, (iii) develop LIG association, and (iv) establish service teams by 2018 (added).
- 1.16 Establish at least 759 new LIGs by 2019 (added).
- 1.17 Establish service teams (2019–2022) (added).
- 1.18 Develop savings capacity amongst all LIGs and start service team in every commune by 2021 (added).
- 1.19 Provide training on DRR to at least 100 councils (2019–2021) (added).
- 1.20 Provide training on DRR to target LIGs (2019–2021) (added).

# 2. Enabling environment for increased agricultural productivity, diversification, and climate resilience created

- 2.1 Develop contracts with relevant organizations and provide capacity building to farmer organizations for climate-resilient rice variety seed production and distribution (unchanged).
- 2.2 Provide support to CMAWs for the commune mobile access program using ICT to improve extension services (unchanged).
- 2.3 Develop multimedia content to improve effectiveness of agricultural extension delivery (unchanged).
- 2.4 Empower commune councils with ICT facilities to enable them to play a more significant role in agricultural extension delivery (completed).
- 2.5 Identify and work with agriculture stations and rice seed producer groups to produce climate-resilient (drought or flood tolerant) certified and commercial rice seeds (2020–2022) (added).
- 2.6 Establish 364 MIGs and 200 paddy selling groups and provide training to them by 2022 (added).
- 2.7 Recruit consultants for ICT support by 2018 (added).
- 2.8 Recruit special service provider for value chain and market linkages by 2018 (added).
- 2.9 Develop value chain cluster meetings in all communes and value chain working groups in all districts (2019-2021) (added)
- 2.10 Provide interactive ICT services and ICT skill training (2019–2022) (added).
- 2.11 Introduce climate-smart agriculture practices in rice and two nonrice vegetable crops to target communes based on their agro-ecological conditions (2019–2022) (added).
- 2.12 Strengthen and develop 200 agribusiness enterprises (2019–2022) (added).
- 3. Project management activities
- 3.1 Support the effective functioning of project steering committee (unchanged).
- 3.2 Support provincial administration and agriculture department for coordination of project activities (unchanged).
- 3.3 Support district administration and agriculture office for coordination and supervision of project activities (unchanged).
- 3.4 Establish and support single project performance monitoring system (unchanged).
- 3.5 Mobilize consultant services to provide technical and managerial support (unchanged).
- 3.6 Ensure GAP is fully implemented and monitored (unchanged).

#### Inputs

|                  | ADB Loan (million)   | ADB Grant (million) |  |
|------------------|----------------------|---------------------|--|
| \$3.40 (current) |                      | \$27.30 (current)   |  |
|                  | \$45.73 (additional) | \$4.27 (additional) |  |
|                  | \$49.13 (overall)    | \$31.57 (overall)   |  |

| IFAD Loan (million)  | IFAD Grant (million) | Government of Finland grant (million) | Government of<br>Cambodia (million) |
|----------------------|----------------------|---------------------------------------|-------------------------------------|
| \$6.69 (current)     | \$6.69(current)      | \$1.60 (current)                      | \$5.47 (current)                    |
| \$10.00 (additional) | \$0.00 (additional)  | \$0.00 (additional)                   | \$6.00 (additional)                 |
| \$16.69 (overall)    | \$6.69 (overall)     | \$1.60 (overall)                      | \$11.47 (overall)                   |

Assumptions for Partner Financing: Not applicable

ADB = Asian Development Bank, CEW = commune extension worker, CMAW = commune mobile access worker, DFT = district facilitation team, DRM = disaster risk management, DRR = disaster risk reduction, DST = district support team, FAO = Food and Agriculture Organization of the United Nations, GAP = gender action plan, ha = hectare, ICT = information and communication technology, IFAD = International Fund for Agricultural Development, km = kilometer, Lao PDR = Lao People's Democratic Republic; LIG = livelihood improvement group, MIG = market improvement group, O&M = operation and maintenance, PIM = project implementation manual, t/ha = ton per hectare.

<sup>a</sup> Agribusiness enterprise owned by women means agribusiness enterprises in which women own the majority (i.e., 51% or more) of the enterprise and they make decisions related to the enterprise operations.
Source: Asian Development Bank.

#### LIST OF LINKED DOCUMENTS

http://www.adb.org/Documents/RRPs/?id=41435-054-3

- 1. Loan Agreement
- 2. Grant Agreement
- 3. Sector Assessment (Summary): Agriculture, Natural Resources, and Rural Development
- 4. Project Administration Manual
- 5. Summary of Project Performance
- 6. Contribution to the ADB Results Framework
- 7. Development Coordination
- 8. Economic and Financial Analysis
- 9. Country Economic Indicators
- 10. Summary Poverty Reduction and Social Strategy
- 11. Gender Action Plan: Additional Financing
- 12. Initial Environmental Examination
- 13. Environmental Assessment and Review Framework
- 14. Resettlement Framework
- 15. Indigenous Peoples Planning Framework
- 16. Risk Assessment and Risk Management Plan
- 17. Project Climate and Disaster Risk Assessment

# **Supplementary Documents**

- 18. Financial Assessment Report
- 19. Procurement Risk Assessment Report
- 20. Project Implementation Work Plan
- 21. Feasibility Study for Rural Road Subproject in Kampong Cham Province
- 22. Feasibility Study for Irrigation Subproject in Prey Veng Province
- 23. Economic and Financial Analysis for Rural Road Subproject in Kampong Cham Province
- 24. Economic and Financial Analysis for Irrigation Subproject in Prey Veng Province