

PART A : BASIC PROJECT INFORMATION

(Must be completed in all cases)

1. PROJECT NAME: **Climate-Friendly Agribusiness Value Chains Sector Project (CFAVC)**
2. PROJECT DATES:
- PROJECT START: **10/1/2018**
- ESTIMATED COMPLETION: **3/31/2026**
3. TOTAL PROJECT COST: **\$141,041,000**
4. RESPONSIBLE MINISTRY: **Ministry of Agriculture, Forestry and Fisheries**
- RESPONSIBLE UNIT: **MAFF, MoRWAM and MRD**
- អង្គភាពទទួលខុសត្រូវ: **ក្រសួងកសិកម្ម រុក្ខាប្រមាញ់ និងនេសាទ ក្រសួងធនធាន និងឧតុនិយម និងក្រសួងអភិវឌ្ឍន៍ជនបទ**
5. PROJECT STATUS: **On Going**

DETAILED PROJECT INFORMATION

6. TYPE OF PROJECT: **Investment project**
7. SOURCE OF PROJECT FUNDING: **Mix of RGC, Grant and Loan**
8. THE POLICY AREA OF THE PENTAGON STRATEGY PHASE I THAT THIS PROJECT FALLS UNDER:V
Side 2. Promotion of Micro, Small, and Medium Enterprises, Startups, Entrepreneurship, and Development of Informal Economy
9. THE CONTRIBUTION OF THE PROJECT TO ACHIEVE THE ABOVE POLICY:

NSDP 2019-2023. The Climate-Friendly Agribusiness Value Chains Sector Project (CFAVC), the proposed project supports fulfilling the Government's Agriculture Sector Strategic Development Plan and the Industrial Development Policy, by improving the competitiveness of agribusiness value chains in Kampong Cham and Tboung Khmum provinces along the Greater Mekong Sub region (GMS) southern economic corridor, and in Kampot and Takeo provinces along the south coastal economic corridor. The project will boost the climate resilience of critical agricultural infrastructure and help commercialize rice, maize, cassava, and mango production. It will help increase crop productivity and diversification; improve the capacity for storage, processing, and quality and safety testing; and promote the use of solar and bioenergy. It will strengthen the technical and institutional capacity for climate-smart agriculture (CSA) and create an enabling policy environment for climate-friendly agribusinesses. The Ministry of Agriculture, Forestry and Fisheries (MAFF), in coordination with the Ministry of Water Resources and Meteorology (MOWRAM), and the Ministry of Rural Development (MRD), and their provincial departments are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. The CFAVC project it number: 48409-002 and source of funding Loan and Grant Numbers: L3661; L8346; and G0579. The dates of negotiation for the Climate-Friendly Agribusiness Value Chains Sector Project (CFAVC) was 25 April 2018 and signing on 6 July 2018. ADB's loan effectiveness dated from 1st October 2018. During ADB Mission FY21, at the same time, in overall, considering the above justifications and time regarding to Covid 19 lead to late of about 2 years already, it is strongly recommended to grant the CFAVC project an extension of 18 months.

10. SUPPORT TO CAMBODIA INDUSTRIAL DEVELOPEMENT POLICY:

Does this Project support to the implementation of the Cambodia Industrial Development Policy? **Yes**

Coordination of Supporting Policies (Skills and Human Resource Development, Sciences, Technology and Innovation Promotion, Establishment and Development of Industrial Infrastructure, and Financing Measures)

11. SECTOR:

**Agriculture, Fisheries & Land Management: Research and Extension Services
excluding seasonal Crop production**

12. PROJECT LOCATION: (Describe the location of the project and its components.)

13. PROJECT OBJECTIVE: (Describe the major purpose of the project.)

The project aims to support income generation for rural people and promote the competitiveness of agribusiness value chains in lines with the Agricultural Development Strategy 2014-2018 and the Industrial Development Policy 2015-2025 in Cambodia.

14. PROJECT DESCRIPTION: (Provide a description of the project and all its components.)

- **Output1: Improve the infrastructure of agricultural agribusiness value chains and climate resilience to connect infrastructure to foster competition for rice, maize, corn, cassava and mango production in the four target provinces (Kampong Cham, Tbong Khmum, Takeo and Kampot). This component relates to infrastructure restoration and modernization of rural infrastructure to increase production and efficiency of resources, reduce post-harvest losses, and enhance quality and value chains for reducing Greenhouse Gas emissions and increased climate resilience.**

- **Output2: Promoting agricultural and agribusiness practices adapted to climate smart agriculture (CSA).**

- **Output3: Setting up a good environment for Climate-Friendly Agribusiness. The project will support the Ministry of Agriculture Forestry and Fisheries and the Ministry of Commerce to create a favorable Climate-Friendly Agribusiness policy for mainstreaming with private sector through government partnership such as contract farming and to promote investment in processing.**

15. PROJECT JUSTIFICATION: (Give reasons why this particular project is considered worthwhile.)

Improve the infrastructure of agricultural agribusiness value chains and climate resilience to connect infrastructure to foster competition for rice, maize, corn, cassava and mango production in the four target provinces (Kampong Cham, Tbong Khmum, Takeo and Kampot). This component relates to infrastructure restoration and modernization of rural infrastructure to increase production and efficiency of resources, reduce post-harvest losses, and enhance quality and value chains for reducing Greenhouse Gas emissions and increased climate resilience.

The project will train at least 40,000 farmers (16,000 women) on climate smart agriculture. In addition, the project will introduce land leveling technique to improve water consumption efficiency and enhance the capacity of farmers to use water efficiently to operate and manage irrigation systems. The project will build and upgrade four agricultural machinery workshops with installation of equipment for four Farmer Training Centers to train FWUCs, women farmers and community members in the management and maintenance of infrastructure and agricultural machinery.

The project will support the agricultural community in sustainable farming by linking it with the private sector and by creating a private partnership forum focused on crops. The project will demonstrate ways to further green finance and to integrate risk management on climate and environmental factors into the implementation of the credit system and reporting procedures. The project will provide weather, marketing and geographical information to create an environment for more effective climate risk management by using information technology systems.

16. BENEFITS: (Who will benefit, directly and indirectly, from the project?)

The project will train at least 40,000 farmers (16,000 women) on climate smart agriculture. In addition, the project will introduce land leveling technique to improve water consumption efficiency and enhance the capacity of farmers to use water efficiently to operate and manage irrigation systems. The project will build and upgrade four agricultural machinery workshops with installation of equipment for four Farmer Training Centers to train FWUCs, women farmers and community members in the management and maintenance of infrastructure and agricultural machinery.

17. FEASIBILITY STUDY

Is a Feasibility Study for the project required? **Yes**

If YES, has it been carried out? **Has been done**

18. SOCIAL & ENVIRONMENT IMPACT: (Briefly describe the effects of the project, if any, on the people and the surrounding environment. Will the project assist in alleviating poverty?)

The project aims to support income generation for rural people and promote the competitiveness of agribusiness value chains in lines with the Agricultural Development Strategy 2014-2018 and the Industrial Development Policy 2015-2025 in Cambodia.

19. CLIMATE CHANGE

a. Is any activity or output of the project related to Climate Change? **Yes**

If Yes, please indicate **Adaptation**

b. How is the project relevant to Climate Change?

Please select a Climate Change related sector of the project and fill up the contribution of the climate change related expenditure compared to the total project cost.

Climate Change-Related Sector

Percentage

Climate Change Relevance

20. DISASTER RISK REDUCTION

Is any activity or output of the project related to Disaster Risk Reduction? **Yes**

If Yes, please indicate

Preparedness

21. GENDER ANALYSIS: (How does the project affect the roles of the men and women in the project area? Will women be actively involved in the implementation of the project?)

The project will train at least 40,000 farmers (16,000 women) on climate smart agriculture.

22. CAPACITY TO IMPLEMENT: (Does the Ministry have the skills and experience required to implement the project?)

The Ministry of Agriculture, Forestry and Fisheries (MAFF), in coordination with the Ministry of Water Resources and Meteorology (MOWRAM), and the Ministry of Rural Development (MRD), and their provincial departments are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB.

23. STATUS OF PROJECT IMPLEMENTATION: (Provide a brief update on the progress of the project to date. Discuss any major problems causing delays in project implementation.)

The project has started implementation since 2019 and to date it is ongoing until 2025. Due to the Covid-19 impact, the project has received an additional 18 months of delays through the ADB Annual Review Mission (22–29 November 2021). So project will extend to end project until 31st March 2026. Up to FY22 the total budget of CFAVC US \$ 141,040 million was allocated and responsibility to three PMU by three Ministries: (1 MAFF allocated US \$ 56,34 million, 2 MoWRAM allocated US \$ 44,24 million and 3 MRD allocated US \$ 36,34 million). For the total AWPB FY2022 for three Ministries US \$ 37,07 million: (1 MAFF allocated US \$ 13,51 million, 2 MoWRAM allocated US \$ 14,70 million and 3 MRD allocated US \$ 8,84 million). And for the total AWPB FY2023 for three Ministries US \$ 43,45 million: (1 MAFF allocated US \$ 24,41 million, 2 MoWRAM allocated US \$ 9,71 million and 3 MRD allocated US \$ 9,32 million).

24. PROJECT PRIORITY: (Please indicate the priority ranking of the project decided by the ministry/agency.)

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25. DONOR INVOLVEMENT: (Provide any information on current or potential donor involvement in the project.)

CFACV plans to invest about \$ 141.04 million. These include ADB Loan number: L3661: US \$ 90 million GCF Loan number: L8346: US \$ 10 million GCF Grant Number: G0579: 30 US \$ 3.66 million and government budget of US \$ 7.38 million.

PART B : PROJECT COSTS AND FUNDING SOURCES
(In US\$'000)

INVESTMENT COST	2023		2024 Budget	2025 Estimate	2026 Estimate	2027 Estimate	3yr Total 2025-2027	Recurrent Cost Est.
	Budget	Actual						
Operational Expenditure	748.4	830.6	747.0	747.0	747.0	0.0	1,494.0	0.0
Salaries	647.8	461.3	100.0	100.0	100.0	0.0	200.0	0.0
Materials + Admin	100.6	170.3	647.0	647.0	647.0	0.0	1,294.0	0.0
Other	0.0	199.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditure	23,668.6	21,689.3	33,163.0	28,963.0	17,663.0	0.0	46,626.0	0.0
Construction	9,665.6	8,734.0	9,500.0	9,500.0	9,500.0	0.0	19,000.0	0.0
Consultancy (i.e. TA) + Admin	4,002.1	7,617.3	4,000.0	4,000.0	3,000.0	0.0	7,000.0	0.0
Equipment+ Furniture	3,388.8	196.4	3,000.0	3,000.0	2,000.0	0.0	5,000.0	0.0
Training	6,612.1	2,774.4	6,500.0	6,500.0	2,500.0	0.0	9,000.0	0.0
Other	0.0	2,367.2	10,163.0	5,963.0	663.0	0.0	6,626.0	0.0
TOTAL COST	24,417.0	22,519.9	33,910.0	29,710.0	18,410.0	0.0	48,120.0	0.0
FUNDING SOURCES	2023		2024 Budget	2025 Estimate	2026 Estimate	2027 Estimate	3yr Total 2025-2027	
	Budget	Actual						
Project Revenue	44,554.7	22,320.9	47,647.4	695,218.0	29,795.4	0.0	725,013.4	
Government Funding	668.8	683.3	15.0	300.0	370.0	0.0	670.0	
Cash Input	668.8	683.3	15.0	300.0	370.0	0.0	670.0	
Other Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Donor Funding	23,875.8	21,836.6	45,637.4	29,410.0	18,040.0	0.0	47,450.0	
Asian Development Bank	23,380.4	18,808.0	30,399.4	19,940.0	11,670.0	0.0	31,610.0	
Global Environment Facility	495.4	3,028.6	15,238.0	9,470.0	6,370.0	0.0	15,840.0	
TOTAL COMMITTED FUNDING	24,544.6	22,519.9	45,652.4	29,710.0	18,410.0	0.0	48,120.0	
FUNDING REQUIRED	-127.601	0.0	-11,742.4	0.0	0.0	0.0	0.0	
(Total Cost - Funding Available)								

**Seen and Approved by
Minister**

(Signature)

Date :