

The project focuses on establishing and operating a Food Technology Center (FTC) to enhance food safety, quality standards, and value addition in Cambodia. The FTC aims to support the food industry, particularly small and medium enterprises (SMEs), by providing research and development (R&D) facilities, training programs, and technical assistance.

The center will facilitate:

Capacity Building: Offering training for stakeholders in food processing, safety, and value chain development.
Technology Transfer: Promoting innovative technologies and best practices to improve food processing capabilities.
Standards Compliance: Assisting businesses in meeting national and international food safety and quality standards.

Market Access: Supporting product development and diversification to enhance competitiveness in both domestic and international markets.

By addressing critical gaps in human resources, infrastructure, and access to technology, the project aims to contribute to Cambodia's economic growth, focusing on agricultural product processing and export enhancement. The FTC will also collaborate with research institutions, government agencies, and industry stakeholders to achieve sustainable impacts.

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

Cambodia has a long-term vision in pointing out to the structural transformation of Cambodian economy in reaching a middle-income country status. Moreover, the industrial sector has been considered as a key driver of its economic growth. According to ADB report in 2021, total GDP grew by 7.1% annually in 2016–2019 and contracted by 3.1% in 2020 due to the negative impact of the COVID-19 pandemic².

Besides garment exports, agriculture is also one of the drivers of economic growth since 2000. The Industrial Development Policy as a guide for driving the development of the industrial sector in the country has been adopted to maintain a sustainable and inclusive high economic growth. The “New Economic Growth Strategy” policy puts forward the importance of the economic diversification, global competitiveness, and the improvement of productivity. However, Cambodia still lacks of human resources and laboratory equipment for improving the domestic products and bring it to reach the international standards for exportation. This hinders the increase of exports through trade revitalization.

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

**FOOD PROCESSING MSMES
UNIVERSITY
PROVINCIAL DEPARTMENT
GOVERNMENT**

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?)

Effects on People:

Skill Development: Through training and capacity-building programs, individuals working in the food industry, particularly in rural areas, will gain valuable skills, improving their employability and productivity.

Job Creation: The establishment of the Food Technology Center (FTC) will create direct and indirect employment opportunities, especially for small and medium enterprises (SMEs) involved in food processing.

Enhanced Livelihoods: By promoting value addition and market access, the project will help farmers and producers increase their incomes, improving their overall quality of life.

Effects on the Environment:

Sustainable Practices: The promotion of innovative and sustainable food processing technologies will likely reduce waste and improve resource efficiency in the food value chain.

Environmental Standards: Support for compliance with food safety and quality standards may encourage environmentally friendly production practices.

Poverty Alleviation:

Yes, the project will assist in alleviating poverty by:

Increasing incomes for farmers, producers, and workers in the food processing sector.

Enabling SMEs to scale up and compete in higher-value markets, leading to economic empowerment in underserved communities.

Enhancing food security and reducing wastage, which can indirectly benefit poorer segments of the population.

19. CLIMATE CHANGE

a. Is any activity or output of the project related to Climate Change? **No**

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
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20. DISASTER RISK REDUCTION

Is any activity or output of the project related to Disaster Risk Reduction? **No**

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?)

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

The Ministry already leads and manages Industry, Science, Technology, and Innovation (STI) sectors, including SMEs, handicrafts, and clean water initiatives, which are closely related to the objectives of the Food Technology Center (FTC) project.

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 Food Technology Center (FTC) project is currently in the equipment setup and infrastructure installation phase. Key activities underway include:

Equipment Installation: Procurement and setup of essential machinery and tools for food processing, quality assurance, and technology demonstration.

Infrastructure Development: Installation of both hard infrastructure (buildings, laboratories, and processing facilities) and soft infrastructure (training modules, technical consultation).

Capacity Building Setup: Preparing the center to function as a hands-on training and practice hub for food technology, targeting SMEs and stakeholders in the food value chain.

24. PROJECT PRIORITY: (Please indicates 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.)

The Food Technology Center (FTC) project, funded by the Official Development Assistance (ODA) of the Republic of South Korea.

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

INVESTMENT COST	2024		2025 Budget	2026 Estimate	2027 Estimate	2028 Estimate	3yr Total 2026-2028	Recurrent Cost Est.
	Budget	Actual						
Operational Expenditure	1.0	0.0	0.7	0.3	0.3	0.0	0.6	0.0
Salaries	0.8	0.0	0.6	0.3	0.3	0.0	0.6	0.0
Materials + Admin	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditure	3.0	0.0	1.1	0.2	0.3	0.0	0.5	0.0
Construction	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consultancy (i.e. TA) + Admin	0.1	0.0	0.1	0.1	0.1	0.0	0.2	0.0
Equipment+ Furniture	2.3	0.0	0.8	0.0	0.0	0.0	0.0	0.0
Training	0.1	0.0	0.2	0.1	0.2	0.0	0.3	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL COST	4.0	0.0	1.8	0.5	0.6	0.0	1.1	0.0
FUNDING SOURCES	2024		2025 Budget	2026 Estimate	2027 Estimate	2028 Estimate	3yr Total 2026-2028	
	Budget	Actual						
Project Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Government Funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash Input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Donor Funding	4.0	0.0	1.8	0.5	0.6	0.0	1.1	
Republic of Korea	4.0	0.0	1.8	0.5	0.6	0.0	1.1	
TOTAL COMMITTED FUNDING	4.0	0.0	1.8	0.5	0.6	0.0	1.1	
FUNDING REQUIRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(Total Cost - Funding Available)								

**Seen and Approved by
Minister**

(Signature)

Date :