PROJECT INFORMATION SHEET

PIP No : **554**

(To be allocated by MOP)

PART A : BASIC PROJECT INFORMATION

(Must be completed in all cases)

1. PROJECT NAME: **Trade Facilitation: Improved Sanitary and Phytosanitary (SPS) Handling in Greater Mekong Subregion (GMS) Trade Project**

2. PROJECT DATES:

   PROJECT START: **1/1/2013**

   ESTIMATED COMPLETION: **7/31/2017**

3. TOTAL PROJECT COST: **$11,409,300**

4. RESPONSIBLE MINISTRY: **Ministry of Agriculture, Forestry and Fisheries**

   RESPONSIBLE UNIT:

   អង្គភាពទទួលខុសត្រូវ:

5. PROJECT STATUS: **Completed**

DETAILED PROJECT INFORMATION

6. TYPE OF PROJECT: **Investment project**

7. SOURCE OF PROJECT FUNDING: **Non-Concessional Loan**

8. THE POLICY AREA OF THE PENTAGON STRATEGY PHASE I THAT THIS PROJECT FALLS UNDER:V

9. THE CONTRIBUTION OF THE PROJECT TO ACHIEVE THE ABOVE POLICY:

1. The Project will strengthen institutions and operational and management capacities in the area of sanitary and phytosanitary measures (SPS)1 in Cambodia and enhance capacities needed for operating cost-effective SPS systems that facilitate trade and protect plant, animal and human health. The Project will focus on Cambodia‟s trade in agriculture, food and forest (AFF) products for which SPS measures for plant health, animal health, and food safety apply. The Project will establish, strengthen and implement: (i) surveillance and inspection programs for plant health, animal health and food safety; (ii) regional cooperation and harmonization for SPS; and, (iii) enhanced education levels and university training of SPS specialists. It will selectively strengthen food safety handling capacities of private enterprises in the Cambodian tourist industry.

2. The technical rationale for the project derives broadly from the GMS Regional Cooperation Strategy and Program (RCSP), with a focus on connectivity and improved competitiveness in promoting trade between GMS countries, and from the recent GMS SPS Action Plan.2 Although Cambodia‟s economy has enjoyed growth of up to 10% a year recently, the primary sector (on which the bulk of the population still relies,3 and from where impacts on poverty must derive) remains characterized by low incomes and limited value addition,4 and by a continuing reliance on bulk commodity exports of poor and variable quality.5 The potential for economic growth from these sources is considerable: for example, Cambodia‟s annual rice6 surplus alone is estimated (for 2008/09) at somewhere between 1.67 and 3.3 million tons,8 and some 50,000-100,000 tons of largely unprocessed fish are presently exported (mostly to Thailand, much is informal). Although demand for AFF products in urban and tourism areas is growing rapidly, the absence of modern internal and export-oriented marketing systems (including with SPS capacities) presently helps to keep AFF product quality standards low.9

3. The Royal Government of Cambodia (RGC) recognizes the need to improve the conditions surrounding AFF trade. Firstly, in the „Strategy For Agriculture And Water 2010-2013,'10 the investments designed to upgrade SPS conditions are explicitly acknowledged11 as priorities with potential to contribute to numbers of products meeting international standards. This is considered essential to facilitate export market diversification beyond Thailand and Viet Nam.12 Secondly, RGC has chosen milled rice as a major priority for export.13 Identified first among the issues presently constraining rice export facilitation is national SPS capacity. Thirdly, the objective of promoting „Cambodia‟s integration into the region and the world‟14 is heavily dependent on trade services being improved, such that recent and ongoing physical infrastructure investments15 are economically justified. Lastly, the poor food safety situation in Cambodia results in important health hazards and economic losses, due to cost of illness and loss of healthy and productive life.16 The National Strategic Development Plan Update accordingly identifies improving public health, particularly in relation to zoonotic diseases and food safety, as priority actions for both MAFF and MOH.

4. The economic case for investment in the Project rests on the pure public goods nature of many SPS services – e.g., the control of communicable diseases, plant pests etc, and the very limited capacity of the private sector to supply even impure public goods (e.g., laboratory/testing facilities, veterinary services). The subregional context also means that Cambodia‟s SPS performance acts as a (presently weak) link in overall GMS AFF trade development.17 The project acts as a conduit to both export facilitation and safety in national supply chains, and is a small, but necessary constituent of a package of pipeline investments that move the sector focus away from localized livelihoods support towards wider economic value addition.

5. In more technical SPS terms, there is a shortage of human resource capacity in Cambodia to: (i) undertake surveys on crop pests and diseases; (ii) manage inspections and interceptions of imported goods; (iii) monitor the agricultural pesticide trade; and (iv) understand the risks of the spread of forest pests associated with wood products trade. There is a need to contain transboundary animal diseases (TAD), to improve surveillance of veterinary drugs, biotics and feed, to maintain the safety of animal food products, and to improve border release procedures. There is little information about (nor monitoring of) the safety of food, food handling by establishments serving the public, and about food poisoning outbreaks. Tourism is a rapidly growing sector without adequate food safety supervision. Although incentives exist for private enterprises to improve their food safety performance, there is room to strengthen these incentives. More generally, compliance with global SPS requirements needs national specialists in surveillance, risk analysis, testing, diagnostics, pest identification, standards, conformity assessment, good agricultural practice (GAP), good hygiene practice (GHP), good manufacturing practice (GMP) and quality assurance management (such as hazard analysis and critical control point) – all of which Cambodia presently lacks and which (in part at least) must come from the graduates of an upgraded national higher education system.

6. The main beneficiaries of the Project will be AFF primary producers, processors, traders, employees and/or wage earners and consumers. Most of these will be in rural areas (where poverty incidence is presently relatively high at 35%). The benefits from better food safety will be felt more widely (i.e., on Cambodian consumers, and within the tourism sector generally).

10. SUPPORT TO CAMBODIA INDUSTRIAL DEVELOPEMENT POLICY:

Does this Project support to the implementation of the Cambodia Industrial Development Policy? **No**

11. SECTOR:

Agriculture, Fisheries & Land Management:
excluding seasonal Crop production

Livestock

Fisheries

Research and Extension Services

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

Prey Veng, Battambang, Siem Reap, Kampong Cham, Preah Sihanouk, Kandal, Svay Rieng, Tbong Khmum, Pursat, Kampot, Takeo, Phnom Penh, Kratie, Preah Vihear, Kampong Speu,

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

Trade Facilitation: Improved Sanitary and Phytosanitary (SPS) Handling in Greater Mekong Subregion (GMS) Trade Project

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

The intended impact of the Project is for Cambodia‟s AFF products to be: (i) safer; (ii) more efficiently produced; and (iii) traded in greater quantities. The outcome of the Project is an enhanced SPS management system in Cambodia.
C. Outputs
8. The outputs of the Project comprise: (i) strengthened surveillance and inspection programs, (for plant health, animal health, and food safety including safer food handling in the tourist industry); (ii) improved regional cooperation and harmonization in SPS management in AFF trade; (iii) enhanced education levels and university training of SPS specialists; and (iv) effecti3ve project management and monitoring.
1. Output 1: Strengthened Surveillance and Inspection Programs
9. Each of the plant, animal and food safety surveillance programs will be strengthened. Closely related to the technical work carried out by specialists, the Project will also review and - where necessary - revise, technical regulations, standard operational procedures (SOPs) and inspection manuals.18
(i) Plant Health
10. For plant health, the Project will improve pest surveillance so that it generates (on a scheduled and prioritized basis) a wider range of published pest lists and more regular reporting to GMS partners, ASEAN, APPPC and IPPC etc. This will be built upon strengthened diagnostic services to allow the verification of the taxonomic identity of pest specimens – accessing regional experts to mentor and assist in diagnostics, by the provision of training (in bacteriology, plant virology, nematology, and weed science), through twinning arrangements with regional institutions, and on upgrades in laboratories and equipment (e.g., remote microscopy equipment, a dedicated internet access to external taxonomic experts, transport for surveys etc). A greenhouse (and supporting facilities) for post-entry quarantine (PEQ) activities to strengthen import handling will be provided. Technical and English language training to better access international conventions, etc. will also be supported.
11. Secondly, support for upgrades small ancillary equipment, laboratory consumables (including standards, solvents and other chemicals, glassware, etc.) and operating costs will help sustain sampling and laboratory activities for pesticides management. The Project will: (i) invest in practical staff training at regional institutions; (ii) support study visits to learn about laboratory management, operational standards and proficiency testing; and (iii) provide English language training to help build skills and confidence.
12. The Project will help obtain a clearer picture of the phytosanitary scenario in relation to wood products for Cambodia (i.e., the forest pest situation and phytosanitary requirements imposed by importing countries). This will be based on: (i) a study to be supported by, and eventually integrated with, information from parallel studies in Lao PDR and Viet Nam; (ii) a program of passive surveillance (involving collaboration between GDA and the Forestry Department to collect and collate available information to describe and understand the forest pest situation); and (iii) regional consultations.
13. The Project will also provide training of phytosanitary inspectors to operate according to standard operating procedures (based on the development of an inspection manual for inspection of import consignments, and supplemented by procurement or production of handy identification guides, and small apparatus to support sampling and examination of produce) to cover pest detection, recognition of pest and disease symptoms, sampling, and collection of specimens.
14. The Project will also strengthen risk analysis capacity through the assembly and „training-by-doing‟ of a core multidisciplinary team. This will lead to the categorization of risks associated with the entry of each of the major agricultural commodities imported into Cambodia.
It will also provide international literature collation and English language training.
(ii) Animal Health
15. In animal health, the Project will improve DAHP capacity to survey, test and respond to selected priority diseases (i.e., FMD, CSF, HS and PRRS), and enhance import handling capability. Firstly, to strengthen surveying, testing and response for TAD, the Project will upgrade NaVRI laboratory equipment, supply testing consumables, and provide refresher/proficiency testing for target diseases.19 Technical support to develop initial surveillance program activities, staff training, vehicles and operational funding for field surveys, disease and awareness raising activities (with staff and farmers) will all be required and will be provided by the Project. Strengthened outbreak response capacity will be based on better links with SEACFMD (to support the supply of FMD vaccine for outbreak response and strategic vaccination), a database and training in its use for recording testing and surveillance activities, and on more regular visits by DAHP staff to targeted areas to strengthen reporting networks and to support provincial staff. Target provinces will be Kampong Cham, Takeo, and Svay Rieng, because of their

border locations and consequently high movements of animals and incidence of TAD outbreaks. Resources will be provided to facilitate DAHP‟s participation in bilateral meetings on TAD and border quarantine management.
16. Secondly, in order to improve import control, there is a need is to establish a list of risk products and to develop import certification standards for them. An inspection manual can then be developed for border staff and training conducted on expected standards. This would result in improved control of the risks associated with animal and animal product imports, and would also contribute to improved TAD control. The Project will provide technical support to: (i) define a list of high-risk products; (ii) establish a set of import conditions; and (iii) develop a technical manual of inspection standards for border staff. Training for DAHP staff in risk assessment methods and development of standards (through a „learn-by-doing‟ approach) will be undertaken, as will training on updated technical standards for AHO and provincial border staff. Resources to enable regular surveillance visits by DAHP staff to monitor border activities will be provided. Project support will be focused in key provinces with high levels of imports and transit activity (most likely Takeo and Prey Veng, and possibly Kampong Cham and Svay Rieng). To improve the level of understanding of border control standards and procedures and emerging risks, and to facilitate harmonization of standards within GMS, support will be made available for bilateral exchange visits (e.g., with Thailand and Viet Nam).
17. control capacity for
animal products, feed safety and veterinary drugs, current institutional and legal constraints mean that this should only be pursued at a modest level at present. Accordingly, Project support in this area includes: (i) high performance liquid chromatography (HPLC) with standards for antibiotics21, documentation, proficiency testing, small equipment, consumables, chemicals needed for its operation during two years; (ii) provision of rapid test kits for screening residues of biotics and antibiotics;22 (iii) in-country training for using the equipment and sample collection; and, (iv) training for the design of an annual cycle of risk-based surveillance, inspection, data storing and analysis.
(iii) Food Safety
18. For food safety, firstly, the Project will design and implement annual programs of food safety surveillance, monitoring, inspection, and response to hazards. The programs will be based on known and perceived risks about food safety hazards in particular products, locations, markets, major public events, hotels and restaurants (especially in tourism). The focus will be on both imported and domestic products.23 Support will be provided for food testing, and for selective upgrading of testing facilities. For reasons of cost-effectiveness, and where possible, priority will be given to the use of rapid test kits. Initially the focus will be on a limited number of priority food safety parameters. Once the system is operational, additional parameters can be added as needed. The system will be established first in Phnom Penh - for reasons of logistics and the facilities presently available; in subsequent cycles, it may be extended to Siem Reap and Sihanoukville. The findings of the tests will be stored in a database system to be used for risk analysis, management support, an annual report to the public and reporting to other agencies involved such as MAFF and MIME where relevant. Support will be given to produce material for awareness raising and education, and for improving the capacity for rapid intervention in case of outbreaks. Training will be delivered to MOH staff to provide active support to outbreak investigations.
19. Secondly, improved food safety handling in restaurants in the tourist industry will be pursued by promoting GHP and GMP on the basis of enterprise grading. Through Project- supported study visits, information and experiences on the development and application of scorecard-based systems will be collected from PRC, Singapore and Thailand - where audit systems are routinely used for diagnosing weaknesses in food safety handling procedures. The Project will: (i) develop a system of upgrading safe food handling by scorecards and grading systems; (ii) raise awareness in the tourist industry; (iii) conduct training courses for private sector and government staff and inspectors; (iv) provide diagnostic assessments (i.e., pre- audits) of restaurants and hotels, and (based on results of those pre-audits) advice given (by private consultants) to enterprises for their food safety handling upgrading; and (v) audit enterprises against the scorecards and assigning grades. Once the system is established, enterprise grading services will be provided by private providers. The Government will develop adequate technical regulations that allow qualified private providers to obtain licenses as service providers, allowing the system to continue after the end of the Project. The Project will support the drafting of suitable regulations for implementation of the grading system for qualification of providers. The system will be first implemented in Phnom Penh, and later expanded to Siem Reap and Sihanoukville. In Siem Reap (in cooperation with GIZ), support will be given to set up and nurture a system for fresh produce safe sourcing.
20. Thirdly, the Project will commission a study on the possibilities for Cambodia (in the framework of harmonization and cooperation among GMS countries) to use assessments by other GMS countries for first-time market access requests for processed food products.24
Completion of the study will be followed by regional consultation aimed at adopting a cooperative system for sharing information about first time access assessments. Support will subsequently be given to the possible implementation of such a system within Cambodia.
21. Lastly, in addition to efforts to control imported food products through improved food safety surveillance and inspection, the Project will develop and implement improved and risk- based methods of controlling imported processed food (in line with international and ASEAN recommendations).25 This will include: (i) preparing risk-profiles for different products (categorized as high, medium, and low) for which different rates of inspection can be implemented; and (ii) the design of improved inspection manuals (where possible to be harmonized with those of GMS neighboring countries).
2. Output 2: Improved Regional Cooperation and Harmonization
22. The Project will support the preparation and participation of Cambodian officials in bilateral working groups with PRC, Thailand and Viet Nam in the areas of plant protection, animal health and food safety. It will provide support to reporting to: (i) WHO‟s INFOSAN; and (ii) the ASEAN rapid alert system for food and feed (ARASFF).26 The Project will also provide similar support for Cambodian officials to participate in a bilateral working group with Lao PDR on animal health. Such participation will deepen regional cooperation and

harmonization in regional SPS.27

3. Output 3: Enhanced Education Levels/University Training of SPS Specialists

23. The Project will: (i) support RUA generally through a new microbiology laboratory (i.e., building and equipment), some transport facilities (i.e., staff and student transport, field work transport), locally-provided English language training courses (to improve staff ability to access and understand reference text and teaching materials), and some modest financial resources to support better interaction between RUA and Ministry staff;28 (ii) further develop academic curricula; (iii) provide some selective upgrading of faculty (i.e., agronomy, animal science and veterinary medicine, and agroindustry) laboratory and teaching facilities; and (iv) deliver a regional technical training program (i.e., short courses for academic staff and some students) to upgrade academic skills.

24. at the microbiology

laboratory (and the Weed Science Laboratory), using supplementary small equipment provided by the Project. The Project investment will extend capacity beyond rice to other crops, and - by giving attention to ISPM compliance - the laboratory will both raise the quality and coverage of plant protection teaching (and also provide support to the GDA in its pest development efforts). For the Entomology Laboratory, similar equipment support will be provided, such that the insect collection can become an important teaching resource, and data collected to accompany specimens will begin to become ISPM-compliant, and – likewise - Plant Nematology Laboratory equipment will be upgraded to teach students the extraction of nematodes from soil and plant materials and allow examination under the microscope for identification. Support will also include the appropriate apparatus set-up for extraction and examination of pests. In terms of curricula development, this will cover basic disciplines of Phytobacteriology, Mycology, Plant Virology, Plant Nematology, and Weed Science, and will include pest management principles.29 Better access to literature will take the form of support for purchase of related reference books, teaching aids, etc (i.e., sets of microscopic slides of insect/plant pathogen taxa, and other

electronic products). Upgrading academic skills will be achieved through twinning

arrangements, where academic staff from English-speaking countries in the region teach plant protection courses for a whole semester, mentoring RUA teaching staff and helping to improve curricula and teaching materials.30

25. For animal health, the Project will support technical training for both teachers and selected undergraduates at veterinary faculties in other GMS countries (or regionally).31

Improvement of the veterinary curriculum will include: (i) assessing the curriculum in depth; and, (ii) preparing a structured development program. This program will involve regular inputs from visiting veterinary lecturers and teacher exchanges, via twinning RUA with another veterinary

faculty in Asia. Support (including veterinary field equipment) for regular field visits by students and teachers to farms, for participation in disease surveillance activities, and for visits to sites of public health interest (e.g., slaughterhouses) will be given by the Project.32 Current animal health laboratory teaching facilities will be upgraded (to enable practical demonstration and teaching in pathology, anatomy and parasitology). Regular visits for RUA students to the NaVRI laboratory with DAHP staff for demonstration of sample handling, preparation and serology/virology and other diagnostic techniques will be supported.

26. The new microbiology laboratory will be equipped with a deep freezer to keep reference microorganisms, incubators, cooled incubators, laminar flow cabinet, balances, microwaves etc. and will support food safety testing. In the agro-industry faculty, the Project support will upgrade the microbiological and chemical laboratory, and expand student experience testing by providing a laminar flow cabinet and small equipment to facilitate chemical rapid test kits use for: (i) pesticide residue analysis in vegetables and fruit; (ii) aflatoxin analysis in cereals (by using the enzyme-linked immunosorbent assay (ELISA) method; and (iii) veterinary drug residue analysis in meat samples etc. Regional and international practical training courses in microbiological testing and food hygiene will be supported, as will curriculum upgrade and expansion (to better cover the various aspects of food safety management under WTO SPS and Codex principles). The Project will support the development and preparation of course material and syllabi.

4. Output 4: Project Management and Support

27. Project management and support will focus on establishing: (i) the Project Management Unit (PMU) within MAFF with international and national experts for SPS technical management and for financial management and procurement; and (ii) a Component Implementation Unit (CIU) within each implementation agency, which will be responsible for compiling initial work plans and budgets from the respective departments (DGA, DAHP, DDF and RUA), and for day- to-day liaison on operational matters.

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

Project Technical Framework

28. Overall, the project will enhance institutional capacity to address SPS management issues by strengthening surveillance and inspection systems, improving educational standards, and promoting regional cooperation. The fundamental technical areas of the Project cover plant health, animal health and food safety. This, together with regional cooperation and academic education activities (plus project management), provides the rationale for an implementation structure of five components, namely: (i) Plant Health; (ii) Animal Health; (iii) Food Safety; (iv) Academic Education, and (v) Project Management. In terms of the logic of Project design, the first three components contribute to outputs 1 and 2 (i.e., „Strengthened Surveillance And Inspection Programs‟ and „Improved Regional Cooperation and Harmonization‟), while the remaining two components relate directly to the respective outputs of „Enhanced Education Levels/University Training of SPS Specialists‟ and „ProjectManagement‟.

29. MAFF will be the executing agency with three Departments therein, and the Royal University of Agriculture as implementing agencies. The Project also involves both MOH and MOC (in the form of CamControl). A notable dimension of the technical design has thus been to center the components (and sub-components) and their activities firmly on particular individual institutions. As a result: (i) plant health is the responsibility of the General Directorate of Agriculture; (ii) animal health is the responsibility of the Department of Animal Health and

Production; (iii) implementation of food safety activities will be led by the Department of Drugs and Food (with CamControl in a supporting role); and (iv) RUA will implement the upgrading of academic education for SPS specialists. Despite this institutional breadth, within each component, the proposed technical interventions are broadly similar, in that they focus on strengthening surveillance and inspection systems and upgrading human resources, and involve the provision of a comprehensive mixture of technical support, training, and hardware to achieve this purpose.

2. Component Design Features

30. The composition of the Project referred initially to the GMS SPS Action Plan, but it has been developed from wider design considerations to reflect: (i) current realities of Cambodian absorptive capacities (i.e., to ensure that the wherewithal to make use of a 5-year investment program exists, yet to address areas where sustained support is unlikely to be available from other sources); (ii) existing legal arrangements (i.e., to avoid areas where there may be major regulatory obstacles to implementation);33 and (iii) current RGC policy priorities (e.g., in the forms of supporting the export policy for rice and other crops, utilizing recently provided physical infrastructure, enhancing capacity to export bovine animals and products in the mid- to long term, and enhancing tourism). Overall therefore, the project focuses directly and realistically on SPS interventions (plant pest surveys and quarantine, pesticides market surveillance,34 TAD control, food safety market surveillance, tourist sector food safety, and academic education) that are likely both to be implementable by RGC agencies and that will deliver economic benefits.

31. Wider investment design considerations include; (i) the need to define quantitative targets for proposed activities (e.g., numbers of surveys to be conducted, numbers of samples to be tested, numbers of training courses to be awarded etc); (ii) awareness of the recurrent/operational costs implications of enhanced systems‟ capacity building (i.e., such that the extent of necessary funding – from government and/or other sources – is made quite clear to policy-makers); and (iii) the subregional context of proposed interventions (such that possibilities for bilateral and subregional engagement and support have been explored, and also that appropriate academic and other linkages are fostered, etc).

32. Among major technical design parameters have therefore been the following:

(i) a recognition that plant, animal and food safety surveillance systems in Cambodia are starting from a very low informational and human capacity base, and that enhancing SPS capacity should in general take a very pragmatic and practical approach.

(ii) technical design emphases should be on simple and cost-effective approaches –
e.g., as applied to the use of rapid test kits where possible, an avoidance of duplication in the construction and operation of laboratory physical facilities.

(iii) an emphasis on strengthening university teaching (as opposed to research)
capacity – in order to increase national human resource capacity in SPS as quickly as possible, and

(iv) an emphasis on supporting selective regional academic engagement with an English language orientation (to support on-going post-graduate university level access to international standard education through existing exchange
arrangements).

3. Improving Surveillance and Inspection Programs

33. A major part of project activity concerns the introduction and improvement in surveillance systems for plant health, animal health and food safety. Several points are especially relevant here as regards design considerations. Firstly is the fact that the proposed programs each begin at a pilot level, so that methods for sampling, inspection etc can be refined before being up- scaled. Secondly is the fact that improving these systems, which start from such a low base at present, involves a range of activity types being undertaken, i.e., staff training (both local/in- country and regional; on-the-job and academic), SPS academic curricula improvement, and the provision of a mixture of hardware (e.g., laboratory equipment and field survey equipment). Thirdly are the recurrent cost implications of improving such surveillance systems; unlike in many projects, the annual costs of test kits, of laboratory consumables (e.g., chemicals, glassware etc), sample collection and inspection visits are a high proportion of project costs. In the absence of limited possibilities for cost recovery from fees and charges, the sustainability of such systems depends ultimately on RGC commitment to their maintenance from public revenues.

4. Subregional Characteristics

34. Although not a subregional investment per se, the project is one of three similar interventions in CLV, and its overall impact includes the increase in GMS AFF trade. A design focus for Cambodia has thus been to improve what is currently a weak link in regional SPS performance, on the basis that (in regional public good terms) this aggregator technology will be of benefit to the GMS as a whole.

35. One mechanism by which Cambodia‟s SPS performance can be raised to that of some of its neighbors is via greater regional engagement with SPS fora, regional and bilateral technical dialogue and support, contacts between educational institutions. Accordingly, the project technical design extensively supports such interactions and has a component structure and activity scope which is very similar to that of the other countries receiving parallel financing (i.e., Lao PDR and Viet Nam).

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

The main beneficiaries of the Project will be AFF primary producers, processors, traders, employees and/or wage earners and consumers. Most of these will be in rural areas (where poverty incidence is presently relatively high at 35%). The benefits from better food safety will be felt more widely (i.e., on Cambodian consumers, and within the tourism sector generally).

17. FEASIBILITY STUDY

Is a Feasibility Study for the project required? **No**

If YES, has it been carried out? **Not yet**

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

B. Social

100. Against the backdrop of a rapid economic growth record, recent rounds of the Cambodia Socioeconomic Survey measured a fall in the headcount of the poor from 47% of the population in 1994 to 35% in 2004, to 30% in 2007. The poverty magnitude (the number of poor people) has also fallen, from about 4.3 million people in 2004 to about 3.9 million people in 2007. (However, the poverty measurement methodology in Cambodia is conservative and the resulting poverty lines are very low).54 The poverty incidence is a great deal higher in rural areas (35% of the rural population in 2007) than in urban areas (less than 1% in Phnom Penh and 22% in other urban areas). According to the 2007 Cambodia Socioeconomic Survey (CSES), about 9 out of 10 poor Cambodians live in rural areas. Cambodian households are vulnerable to many different kinds of shocks that can drastically change a household‟s socioeconomic situation. A simple indicator of vulnerability is the proportion of households living above the international poverty line of $1.25/day (PPP measure), but below $2/day. In Cambodia this is more than a quarter of the population (28%).

101. Four groups of households are particularly vulnerable: infants and children, women of reproductive age, food insecure households, and special vulnerable groups (e.g. orphans, people living with HIV, and so on). The main sources of risks to households are: (i) crises and emergencies (including macroeconomic crises and natural disasters); (ii) low human development (including poor nutrition and poor access to education); (iii) seasonal unemployment and food insecurity; and (iv) health shocks.

102. The Project‟s Classification is a „General Intervention‟, and does not target poverty directly, but by improving the SPS handing of AFF products in trade it will contribute to increasing agriculture sector production and productivity. It will help to make AFF trade more predictable, transparent, and with fewer transaction costs. It will thus contribute to strengthening AFF value chains (within and between countries), extending back to the on-farm production environment, thereby creating demand for on-farm and off-farm labor, primary AFF produce (agriculture and livestock products) and supporting incomes and gainful employment of poor rural households. (In all countries, poverty is now largely a rural phenomenon). The improved surveillance and outbreak response to livestock diseases will benefit rural households in specific provinces as animal morbidity/mortality is reduced. Improved national food surveillance reduces exposure to illness and time off work for all, including the poor (for whom it is relatively more important in terms of illness costs and lost work time). In the tourist industry, the grading of establishments for food handling will help to stabilize and formalize hotels and restaurants, thus indirectly sustaining employment among people with relatively low wages in food preparation, handling, serving etc. Undertaking grading visits, audits, etc as part of national food safety surveillance systems will create formal jobs.

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

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?)

A. Gender

97. Persistent and significant gender gaps are a feature of present day Cambodia. According to Ministry Of Women‟s Affairs (MOWA)45 the main gender issues across all sectors in Cambodia are as follows:

(i) economic empowerment - gender disparities in employment are based on traditional attitudes about "appropriate" occupations for women and men. There are significant wage differentials for women with upper secondary and university levels of education. Low levels of literacy limit livelihood alternatives for women. Changes in the structure of the economy and increased economic migration are contributing to increased vulnerability of women workers, further exacerbated by the economic crisis

45 And as summarized in ADB‟s (draft) CSP for 2011-2013

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(ii)

education - economic considerations are a major factor in school enrollment, retention and performance, and boys continue to be given priority for education. Improved enrollment and gender equity at higher levels of education are limited to higher income groups. The ratio of girls to boys in upper secondary education was 73% in 2008;46

(iii)

legal protection - violence against women is widely prevalent in Cambodia with indications of increasing incidence of at least some forms of gender-based violence, particularly rape. Knowledge of legal rights is low among both women and men, but women tend to be comparatively disadvantaged because they are more isolated than men. There is also a widespread culture of impunity, which protects perpetrators rather than victims of violence, corruption, and abuse;

(iv)

health - infant and child mortality rates have declined significantly in recent years. 47 However, the MDG target for maternal mortality (MMR) is seriously off-track and unlikely to be met.48 Further, Cambodian women are a growing proportion of people living with HIV, up from 38% in 1997 to 52% in 2006; and

(v)

public decision-making and politics - women's participation in decision-making is limited by traditional beliefs and stereotype notions that women are not well suited for high positions and decision-making. The number of women at senior levels of the civil service is low, as is the number of women in the judiciary, both as judges and prosecutors.49

98. More specifically in relation to AFF production: (i) among the farming population, over 65% are women; 50 (ii) women are responsible for 80% of national food production; (iii) women are actively involved in artisanal fisheries and they manage small livestock; and (iv) the marketing of AFF products is mainly done by women. While there are no reliable figures on female employment in tourism in Cambodia, it is certainly true that national female labor participation rates in non-agriculture (e.g., in garments) are high and growing, but also that women‟s employment tends to be concentrated in low-skill, low-paid and precarious jobs51 and women in tourism typically earn 10 per cent to 15 per cent less than their male counterparts. Tourism is increasingly widely recognized to be a vehicle for gender empowerment and women‟s equality. 52

99. The Project is categorized as having some gender benefits, with reference to the ADB Gender Guidelines.53 Gender analysis has been carried out. At present the share of female among Government staff in most SPS agencies is low and in some cases lower than 10 percent. In restaurants staffing is more gender balanced. The Government will ensure that all Project activities are designed and implemented in accordance with ADB‟s Policy on Gender and Development (1998). In particular, the Government will ensure that on average female participation for all kinds of training will at least be proportional to the share of female employed. The Government will further ensure that all monitoring and evaluation data will be disaggregated by sex.

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

36. MAFF will be the executing agency for the Project. MAFF will appoint the Undersecretary of State, MAFF, as the Project Director to assume the responsibility for overall project coordination and management. MAFF will also set-up a Project Management Unit (PMU) to be responsible for project coordination and management, including financial management of project accounts, procurement of goods and works, recruitment of consultants, and monitoring and reporting.

37. The PMU will be headed on day-to-day basis by a PMU Manager who will be the Deputy Secretary General, MAFF. The PMU Manager will be assisted by a Finance Officer, an Administrative Officer, a Procurement Officer, and two Project Assistants.

38. There will be four implementing agencies (IAs) under the Project. The General Directorate of Agriculture (DGA) for plant health activities, Department of Animal Health and Production (DAHP) for animal health activities, Department of Drugs and Food (DDF) of Ministry of Health (MOH) for the food safety activities, and, the Royal University Of Agriculture (RUA) for SPS education and training activities . There will be one Component Implementation Unit (CIU) in each IA. Each CIU will be headed by a Deputy Director General (in the case of GDA), a deputy director (in the case of DAHP and DDF) and a Vice Rector (in the case of RUA) and staffed by a Component Officer (CO). The CIU Head can delegate day-to-day project activities to a CIU Manager as he/she deems necessary. The CIU in DDF will also include staff from CamControl. A CIU will be responsible for planning and reporting on day-to-day implementation of components, and for forwarding documentation to PMU for financial planning and procurement.

39. A Project Committee (PC) will be established to provide guidance to the PMU on Project implementation. The Project Director will chair the PC with the PMU Manager as the secretary. The members will comprise each CIU Head, one senior representative from MEF, and one representative from ADB Cambodia Resident Mission (CARM) as an observer. The PC may also invite ad hoc members from other relevant agencies whose participation in the view of the PC will be mutually beneficial. The PC will meet at least four times a year.

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

IV. Project Result:

Output 1: Strengthened surveillance and inspection programs:

1. Plant Health Component Implementation Unit (General Directorate of Agriculture):

- Finalized the Pest Lists on 2 priority crops (Rice and Maize) by cooperated the international consultants collected 3 samples, which included diseases, weeds, and insect. Plant Health CIU continues to conduct the pest surveillance on other priorities crop which included cassava, mango, citrus, pepper, banana, vegetables, cashew nut, and soybean.

- The construction of Post Entry Quarantine Greed House was completed in August 2015, located in Prey Veng Province.

- Completed seed health testing on rice.

- Completed 4 training workshops on "Plant Quarantine Inspection and Stakeholders".

- The Database for Plant Health was installed and operated.

2. Animal Health Component Implementation Unit (Department of Animal Health and Production)

- Conducting the annual surveillance programs for animal health transboundary animal diseases in three target provinces which included Kompong Cham, Takeo, and Svay Reing to improve the technical staff capacity.

- Conducted border surveillance programs in Tboung Khmon, Prey Veng, Svay Rieng, and Takeo Province.

- Conducted the outbreak response programs in Prey Veng, Kompong Cham, Svay Reing, and Tboung Kmom Province.

- Conducted training for the technical staffs and the laboratory staffs.

- Ongoing the awareness campaigns for TAD and awareness raising activities for import handling.

- Conducting biosecurity measure program in target provinces.

- UPLC was delivered to GDAHP in 2016.

3. Food Safety Component Implementation Unit (Department of Drugs and Food and General Directorate CamControl):

- Surveillance on Food Hygiene and Food Safety at Restaurant and Catering Establishments was Completed while survey collected and tested a total of 1,765 samples from 203 restaurants/ catering in Phnom Penh, Seim Reap and Preah Sihanok province.

- Monitoring and following up the effective dissemination of the Prakas 1202 and 1309 for restaurants and carteen in Phnom Penh, Siem Reap, and Preah Sihanuk province.

- Ongoing the surveillance of contaminants in food at domestic markets.

- Trained the CamControl Laboratory Staff on "Advance Seperation Methods".

- Conducted study tour to Thailand and Singapore to acknowledge and improve ability related to food safety.

- Conducted study tour to Thailand and Vietnam for food safety programs.

- Development of database softwares for food safety information in CamControl and DDF were completed.

Output 2: Improved regional cooperation and harmonization:

The first workshop under the project, the "National Workshop on SPS Issues to Improve Trade Facilitation," was successfully organized by the PMU and the CIUs on March 19, 2014. It was held at the Inter-Continental Hotel, at Phnom Penh, to discuss SPS issues between the government and the private sector on plant quarantine and animal health regulations, including border controls with respect to time, cost and complexity.

The draft of concept note on the proposal of Bilateral Exchange and Discussion on the Trade Facilitation for Agriculture Product was prepared. However, the draft of concept note needed to be revised in order to achieve the output of the activities. The mission will focus on different trade issued and agriculture commodities.

Output 3: Enhanced Education Levels/University Training of SPS Specialist:

Education Component Implementation (Royal University of Agriculture):

- New microbiology laboratory building at RUA was completed and officially launched in March 2016 and equipped with lab equipment.

- Upgraded SPS curricular for food safety, plant health, and animal health at RUA. The curricula was approved by MAFF minister in May 12, 2015.

- Conducted the technical trainings on food safety.

- Trained lecturers on animal health, plant health, and food safety for trade facilitation.

Output 4: Project Management and Support:

The PMU and CIUs has been fully operational and IT policy and backup guideline were completed and operational.

Conclusion:

Since the end of 2012 to the end of 2016, according to the Design and Monitoring Framework (DMF), the project was completed 58.74% of the workplan activities in each outputs.

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

5

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

ADB

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

INVESTMENT COST	2016		2017 Budget	2018 Estimate	2019 Estimate	2020 Estimate	3yr Total 2018-2020	Recurrent Cost Est.
	Budget	Actual						
Operational Expenditure	1,183.6	389.2	565.3	0.0	0.0	0.0	0.0	0.0
Salaries	65.5	55.8	32.8	0.0	0.0	0.0	0.0	0.0
Materials + Admin	809.3	279.7	378.1	0.0	0.0	0.0	0.0	0.0
Other	308.8	53.7	154.4	0.0	0.0	0.0	0.0	0.0
Capital Expenditure	3,029.7	988.7	284.4	0.0	0.0	0.0	0.0	0.0
Construction	163.8	56.8	0.0	0.0	0.0	0.0	0.0	0.0
Consultancy (i.e. TA) + Admin	814.9	246.8	127.7	0.0	0.0	0.0	0.0	0.0
Equipment+ Furniture	1,025.4	349.5	0.0	0.0	0.0	0.0	0.0	0.0
Training	635.3	197.7	78.7	0.0	0.0	0.0	0.0	0.0
Other	390.3	137.9	78.0	0.0	0.0	0.0	0.0	0.0
TOTAL COST	4,213.3	1,377.9	849.7	0.0	0.0	0.0	0.0	0.0

FUNDING SOURCES	2016		2017 Budget	2018 Estimate	2019 Estimate	2020 Estimate	3yr Total 2018-2020	
	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	4,213.3	873.6	849.7	0.0	0.0	0.0	0.0	
Asian Development Bank	4,213.3	873.6	849.7	0.0	0.0	0.0	0.0	
TOTAL COMMITTED FUNDING	4,213.3	873.6	849.7	0.0	0.0	0.0	0.0	
FUNDING REQUIRED	0.0	504.3	0.0	0.0	0.0	0.0	0.0	
(Total Cost - Funding Available)								

Seen and Approved by Minister

(Signature)

Date :