

# **PROJECT INFORMATION SHEET**

PIP No :

631

(To be allocated by MOP)

## **PART A : BASIC PROJECT INFORMATION**

(Must be completed in all cases)

1. PROJECT NAME: **Innovation of High Value Added Pepper Products Through Agro-Processing And Packaging Technologies**
2. PROJECT DATES:
- PROJECT START: **1/1/2026**
- ESTIMATED COMPLETION: **12/31/2028**
3. TOTAL PROJECT COST: **\$155,000,000**
4. RESPONSIBLE MINISTRY: **Ministry of Agriculture, Forestry and Fisheries**
- RESPONSIBLE UNIT: **Department of Agro-Industry**
- អង្គភាពទទួលខុសត្រូវ: **នាយកដ្ឋានកសិ-ឧស្សាហកម្ម**
5. PROJECT STATUS: **Planned**

### ***DETAILED PROJECT INFORMATION***

6. TYPE OF PROJECT: **Investment project**
7. SOURCE OF PROJECT FUNDING: **Donor Sought**
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:  
**The project will contribute to promote the marketing linkage and value added of agricultural products. Moreover, to promote small farmer group/FO to medium and large entrepreneurship.**
10. SUPPORT TO CAMBODIA INDUSTRIAL DEVELOPEMENT POLICY:  
Does this Project support to the implementation of the Cambodia Industrial Development Policy? **No**
11. SECTOR:  
**Seasonal Crop Production: Rice and other                      Seasonal Crop Production: Rice and other**
12. PROJECT LOCATION: (Describe the location of the project and its components.)  
**All Provinces,**
13. PROJECT OBJECTIVE: (Describe the major purpose of the project.)  
**1. Create market linkage between local and international through contract farming  
2. Promote value chain and value added on agri-products for market demand  
3. Improve standard of living of Cambodia farmers**
14. PROJECT DESCRIPTION: (Provide a description of the project and all its components.)

### **Project Phase 1:**

Conduct two feasibility studies on agro-industry clusters, potentially in Pailin, Snoul-Kratie and Phnom Penh and possibilities in any other countries to collect potential data on agro-industry sustainable development. The study provides baseline data on either existed cluster and/or potential location (considering infrastructure, potential commodity, market demand, labor, land,..) in targeted provinces/municipality, and the possibilities of linkage .

Design and implement at least one agro-industry cluster, which should be in Phnom Penh focusing on possibly three commodities cassava, cashew nut, and mango. Conduct kick off workshop to mobilize supporting idea/inputs and circulate the project information among relevant stakeholders, especially private sector. Start up the coordination and support the establishment and operationalization of agro-industrial cluster by collective groups NGO, private sector, SME, government institutions, donors, etc. Establish agricultural SMEs zones in existed special economic zone in Phnom Penh.

### **Project Phase 2:**

Design and implement agro-industry clusters in Snoul-Kratie and Pailin focusing on possibly three commodities each (Snoul-Kraties: cassava, cashew nut, pepper; Pailin: longan, cassava, corn). In the process of establishment AI cluster, there are main components as follow:

#### **2.1 Policy and Guideline:**

- 2.1.1 Develop guideline on agro-industry cluster
- 2.1.2 Develop directory on existed and potential SME member
- 2.1.3 Develop CF policy
- 2.1.4 Develop policy on specific agricultural commodity

#### **2.2 Direct Activities:**

- 2.2.1 Conduct extension forum among agricultural cooperative, entrepreneur, company, factory, and farmer on How to Engage in the AI cluster
- 2.2.2 Visit and advocate , including extension/workshop/forum/training, for involvement and support from private, NGO, and relevant government institutions in establishment AI cluster
- 2.2.3 Organizing & grouping farmers in terms of produce supply logistics but which, of course, would also help them to build entrepreneurial and negotiation skills.
- 2.2.4 Conduct awareness forum on CF and visit successful CF implementation area, company, association
- 2.2.5 Matching Buyer and Product forum, monitoring & grading CF, promote farmer to farmer business network
- 2.2.6 Conduct training on Post-Harvest Management Technology
- 2.2.7 Establish processing center

#### **2.3 Coordination:**

- 2.3.1 Set up the eco-tourism zones in AI clusters
- 2.3.2 Promote value chain and added of specific agricultural commodity in AI cluster
- 2.3.3 financing research and development, in collaboration with Cambodian research capacity; it could include on station research but would mainly focus on Farm and Farmer-based Participatory Research (FPR) methodologies;
- 2.3.4 In coordination with CDC, conduct SME and FDI workshop to promote agro-product in local and international market demand
- 2.3.5 Promote farmer to farmer business network
- 2.3.6 Raise awareness for Local Economic Development (LED) in general related investments
- 2.3.7 Creating additional land area for specific potential commodity to guaranteed cultivation through CF

It is an project partnership implementation (PPP) of Public, Private, and Producer. On behalf of Ministry of Agriculture Forestry and Fisheries, department of agro-industry take a lead of this project. Of course, the private sector play an important role in establishing and developing AI cluster in Cambodia, which follow by farmer/producer. This project carry out in three angles mechanism.

### **Project Phase 3:**

In the third phase of project implementation, the AI Clusters that created in Phom Penh, Pailin, and Snoul-Kratie need consolidation and scaling-up/expansion. This requires developing policy and mechanism to rationalize agro-industry consolidation through conducting study to promote, facilitate and support transition to / full AI4.0

Conduct project end workshop, with documentation, conduct to share the experiences, challenges, and recommendation in establishing AI clusters.

#### **Project Monitoring and Evaluation:**

In the M&E guideline; project outcome, output and activities will develop in detail for project monitoring, for evaluation the level of achievements against project objective 1,2, and 3. The survey will conducted to determine the satisfactory of project beneficiaries.

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

The Cambodia economy has achieved important growth rates over the past years, with textile sector, representing some 70% of all exports, as a main contributor. However, the agricultural sector remain important in term of employment, engaging some 54.9% of all labor force (ASEAN key figures 2018). In fact, the agricultural growth (8.7% per year for the period 2004-12; world Bank, 2015) was amongst the highest in the world, and substantially contributed to poverty reduction. In the period 2007 to 2011, the number of poor people declined from 7 to 3 million, with 60% of the reduction to attributed to the agricultural sector. Most farmers that escaped poverty, however, did so by a small margin and their vulnerability remains high. This vulnerability is highest for small farms, as agricultural promotion and development services have not yet reached them on a big scale. Agro-industry cluster not yet set up once in Cambodia, while it is crucial to have one or more for covering the value chain and added of agro-product. Agro-industry cluster and its expansion will increase share of export of processed agricultural products (including new processed agricultural products) to 12% in total export volume by 2025 (IDP2015) and this project will contribute to realizing the RGC's long-term goal aiming at uplifting Cambodia to an upper middle-income economy by 2030 and a high-income economy by 2050.

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

**Direct beneficiaries: farmers, agricultural association, entrepreneur, owner of company and factory**  
**Indirect beneficiaries: women, disable and children.**

#### 17. FEASIBILITY STUDY

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

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?)

**The project will contribute to poverty reduction through creating job for farmers around project implementation area and agricultural products are guaranteed met market demand**

#### 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
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#### 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?)

**Women vulnerable to domestic violence are reduced through women's participation in society. Women will be actively involved in implementing this project and becom income generators through production and processing of agricultural products. This project has a positive impact on the role and livelihoods of women, as this project required participation of women at least 45% of the total participation in all project activities, such as training, forum, workshop..etc.**

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

**Besides its permanent officials, Ministry will recruit international and national consultant/firm who expertise in AI cluster development to fulfill the job.**

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.)

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

**1**

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



**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						
<b>Operational Expenditure</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Salaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials + Admin	0.0	0.0	0.0	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
<b>Capital Expenditure</b>	0.0	0.0	0.0	29,000.0	45,500.0	80,500.0	155,000.0	0.0
Construction	0.0	0.0	0.0	8,000.0	5,000.0	0.0	13,000.0	0.0
Consultancy (i.e. TA) + Admin	0.0	0.0	0.0	500.0	500.0	500.0	1,500.0	0.0
Equipment+ Furniture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Training	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	20,500.0	40,000.0	80,000.0	140,500.0	0.0
<b>TOTAL COST</b>	0.0	0.0	0.0	29,000.0	45,500.0	80,500.0	155,000.0	0.0
FUNDING SOURCES	2024		2025 Budget	2026 Estimate	2027 Estimate	2028 Estimate	3yr Total 2026-2028	
	Budget	Actual						
<b>Project Revenue</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Government Funding</b>	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	
<b>Donor Funding</b>								
<b>TOTAL COMMITTED FUNDING</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>FUNDING REQUIRED</b>	0.0	0.0	0.0	29,000.0	45,500.0	80,500.0	155,000.0	
(Total Cost - Funding Available)								

**Seen and Approved by  
Minister**

(Signature)

Date :