

DOAG Annex 1: Agriculture Amplified Description

I. Introduction

This annex describes the food security and agriculture activities to be undertaken and the results to be achieved with the funds obligated under this Development Objective Agreement (DOAG).

USAID/Cambodia developed a Country Development Cooperation Strategy 2014-2018¹, which aims to accelerate Cambodia's transformation to a democratic and prosperous country. USAID programs in "Resilient Pathways out of Poverty Strengthened" support the Royal Government of Cambodia (RGC) to reduce the numbers of people living in poverty, improve food diversity and production, and improve nutrition outcomes.

II. Background

The Cambodian economy is robust despite a challenging global economic environment, and the real GDP growth continues to be driven by strong and persistent growth in the agriculture sector along with resilient exports, recovering construction, and growing tourism sectors. Cambodian poverty fell sharply by 2011, and the economy expanded in large part due to sustained agricultural growth driven by increases in global rice prices. While economic growth has reduced the proportion of Cambodians living in poverty, the majority of households have only shifted out of poverty by \$0.30 a day, hovering just above the poverty line, over one third are still food deprived and more than 32 percent of children, from all income brackets, are stunted. Agricultural productivity growth in Cambodia is limited by the poor use of fertilizers, limited access to improved technologies and improved practices, insufficient irrigation systems, inadequate rural roads, limited access to credit, and limited use of research.

An estimated 80 percent of Cambodians live in rural areas; 70 percent rely on agriculture, fisheries, and forestry. Use of irrigation is limited as annual rains alone historically provided the moisture needed for more than 85 percent of all rice production. Shifts in rainfall and flooding patterns resulting from climate change, however, threaten traditional agricultural production practices and rural livelihoods. Recurrent droughts, floods, and increasingly unpredictable rainy seasons impact the timing of planting, germination, and harvesting of rice and other crops, and thus reduce agricultural yields and contribute to food insecurity and poverty. Agriculture, which is central to Cambodia's economic growth as well as food security, is particularly vulnerable to climate change.

A. Strategic Alignment with Government Strategies

The RGC is developing key vision and planning documents in its quest to achieve higher middle-income status by 2030. For instance, the Royal Government of Cambodia developed its 2014- 2018 National Strategic Development Plan (NSDP), which commits the government to ensure a better quality of life for its people, and in building a democratic, rule-based society, with equitable rights and opportunities for the population in economic, political, cultural, and other spheres. The Royal Government of Cambodia produced a Development Cooperation and Partnerships Strategy to support implementation of the 2014-

¹ [https://www.usaid.gov/sites/default/files/documents/1861/CDCS%20Cambodia%20Public%20Version%20\(approved\).pdf](https://www.usaid.gov/sites/default/files/documents/1861/CDCS%20Cambodia%20Public%20Version%20(approved).pdf)

2018 NSDP, with the objective of promoting development effectiveness in Cambodia through a wide range of partnerships.

Cambodia's Rectangular Strategy (Phase III) supports the promotion of the agriculture sector, private sector development and employment, and capacity development. The NSDP and the Agriculture Sector Development Program (ASDP) 2014-2018 aims to improve productivity, diversification, and commercialization of crops; promote livestock farming and aquaculture; and, reform land ownership policies. In addition, the National Strategy on Food Security and Nutrition (NSFSN) 2014-2018 aims to enhance the availability of and sustainable access to food at the household level. The Cambodia Climate Change Strategic Plan (CCCSP) 2014-2023 captures the main strategic objectives and directions for a climate-smart development of Cambodia to address a wide range of climate change issues linked to adaptation, Greenhouse gas (GHG) emission mitigation, and low-carbon development.

USAID's programs under this DOAG will, as best as possible, help to advance the goals identified under the RGCs national strategies.

B. Support of Technical Working Groups

In support of coordination with the RGC and other donors on food security and agricultural development issues, USAID actively participates in the following Technical Working Groups (TWGs):

- Social Protection, Food Security & Nutrition;
- Agriculture and Water; and
- Fisheries.

As appropriate and possible, USAID will participate in other TWGs that are relevant to achieving the goals under this DOAG. Examples include the private sector development and gender TWGs.

III. Funding

USAID investments of an estimated \$22,760,551 in new food security and agriculture funds are planned for the FY 2015-2017 timeframe to achieve this Development Objective. If additional funds become available, USAID Cambodia will consider expanding program activities if feasible. Currently funds under this Development Objective are earmarked and thereby can only be directed to food security and agriculture programs.

The RGC contribution reflects the Ministry of Agriculture, Fisheries and Forestry (MAFF) in-kind contributions to the shared objectives of the program. The contribution will equal up to twenty-five percent of the total program costs used to support activities that substantially benefit the Grantee or entail direct and substantial involvement of the Royal Government of Cambodia in the administration, management, or control of the activities hereunder. The dollar equivalent amount of this contribution shall be U.S. \$2,104,287 for FY 2015.

Changes may be made to the financial plan by representatives of the Parties without formal amendment of the Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement.

The financial plan for this program is set forth in the table below.

Description	Year (FY 2015)	Year (FY 2016)	Year (FY 2017)	Total
Agriculture/food security	6,312,861	7,440,000	7,440,000	21,192,861
Sub-total:	6,312,861	7,440,000	7,440,000	21,192,861
Administration Cost:	447,690	560,000	560,000	1,567,690
Total Estimated USG Contribution	6,760,551	8,000,000	8,000,000	22,760,551
Total Estimated RGC Contribution	2,104,287	2,480,000	2,480,000	7,064,287

IV. Results to be achieved

Programs supported by USAID under this DOAG help contribute to the Joint Monitoring Indicators (JMIs) and other government indicators identified by each of the TWGs in which USAID is an active member. The most relevant JMIs include:

- Enhanced agricultural productivity and diversification and improved water resource development and management (2014 – 2018 Joint Monitoring Indicator TWG-Agriculture and Water).
- Management, conservation, and development of sustainable fisheries resources to contribute to ensuring people’s food security and to socio-economic development in order to enhance people’s livelihoods and the nation’s prosperity (2014 – 2018 Joint Monitoring Indicator TWG-Fisheries).
- Food Security and Nutrition status and social protection system for the poor, food insecure and vulnerable people in Cambodia are improved through effective coordination and delivery system at national and sub-national level (2014-2018 Joint Monitoring Indicator TWG-Social Protection and Food Security and Nutrition).

Relevant *illustrative* indicators include:

- Prevalence of poverty reduced by 25%; and
- Prevalence of stunted children under five years of age reduced by 20%.

V. Activities

All activities will align with the technical areas detailed below:

A. Food Security and Agriculture

Feed the Future programming focuses on supporting key agricultural value chains, such as rice, fish, and horticulture. Project efforts will include a focus on enhancing productivity in key value chains; improving rural incomes; and, improving nutritional knowledge and practice. In close coordination with the RGC Ministries at the national, provincial, district, and commune levels, USAID will focus on: increasing access to high-quality agricultural inputs and credit; increasing and improving opportunities for value addition on various agricultural commodities; expanding and strengthening market linkages along

commercially viable agricultural value chains; improving water and sanitation; increasing the human and institutional capacity in the agriculture sector; and, delivering nutrition education. These activities will raise and diversify household incomes, and expand and diversify rural diets thereby reducing poverty, malnutrition and stunting rates.

Food security programming will use tested technologies to increase productivity with more efficient use of inputs including improved seeds, fertilizers, and drip irrigation systems. Better planting, growing, and harvesting techniques will also improve productivity.

USAID will work with private sector suppliers and market agents to strengthen these value chains, and identify systems that can become sustainable and scalable in the future. This component will focus on technical assistance that will help agribusinesses provide more affordable quality products and embedded services, including those associated with seeds, fertilizers, plant protection and animal health, improved farm management practices such as soil and water conservation and management that increases the efficiency of inputs (such as fertilizer). Financial strategies (e.g., loan guarantees, supplier credit, and forward contracting) and technologies that reduce risk will allow farmers, farmer organizations, and local agribusinesses to become more innovative, leading to increased production and reduced labor/input costs.

In order to increase the opportunities for poor rural households to generate needed cash income, USAID will include activities focused on expanding rural off-farm jobs and sales, strengthening post-harvest systems, improving market access, and making targeted investments in marketing infrastructure. Efforts will have a special focus on women, youth, and the landless poor.

Activities will focus on reducing crop spoilage and linking producers (farmers and fishermen) to existing processing industries through local public-private partnerships. USAID also may include improving post-harvest handling, establishing product standards and quality, and increasing government and private-sector capacity to adhere to international quality standards. Related activities will work with various stakeholders at different links in the value chain (producer groups, haulers, and millers' associations) to assist producer groups as well as processors and end-users involved in post-production, trade activities and forward contracting with farmers.

Profits from agricultural activities are generally low given poor transportation networks and limited infrastructure in rural areas to support market activities. While many roads have been significantly improved in recent years as a result of donor investments, remote rural roads are often in a state of disrepair and increase losses and costs. USAID might, for example, support small-scale transportation technology (e.g., small motorcycle-powered refrigeration transport -- "cooler *tuk tuks*"), food storage and processing facilities, alternative energy sources, and/or market infrastructure and emphasize partnerships between the local public and private-sector entities.

On nutrition, USAID brings a food-based, agricultural, environmental, and private-sector approach to targeted nutrition and hygiene messaging and education to change key dietary practices. With nutrition funding limited, agricultural education and messaging through food security activities must be used to increase awareness of food-based approaches to nutrition and foster improved dietary choices. USAID activities promoting diversified

agricultural production are being informed and guided by the need to improve household dietary diversity and dietary choices by farming households and others in their rural communities. Combining agricultural messaging for crop diversification and related farming practices with nutrition and dietary messaging that targets farm managers and decision-makers (often women) will help increase the effectiveness of such messaging.

In coordination with the public sector interventions being promoted under USAID/Cambodia's Health and Education activities, the USAID agriculture activities will expand the use of these goods and services through sustainable, private-sector service-provider approaches. In many areas of Cambodia, the water and sanitation sector provides an instructive example of this two-pronged approach. Assisting the private-sector to provide water services or cost-effective latrine sales is highly effective in providing sustainable and long-term solutions that significantly reduce disease-related malnutrition. Conversely, there are still areas of the country that will require a more public health-based approach to provision of water and sanitation services.

USAID in Cambodia, in conjunction with the U.S. Department of Agriculture, the U.S. Embassy, and key donors will continue to provide unified comments to the RGC on various draft laws and regulations related to the agriculture, animal health, environment, and food security sectors and urge the RGC to improve access to agricultural inputs. Feed the Future programming will continue support to activities that assist in key policy reforms needed to achieve its goals.

USAID will work closely with the headquarter office to leverage additional assistance in the area of research, innovation, and technology sharing through the Innovation Labs. This will be done through collaborations between RGC academic, government, and private entities and U.S. universities.

Agriculture activities to receive FY 2015 USAID funds under the Agreement include:

<u>Activity Name</u>	<u>Description</u>	<u>Implementing Partner</u>
<u><i>Integrated Nutrition, Hygiene and Sanitation Program (NOURISH)</i></u> <u><i>Estimated FY2015 funding \$2,000,000</i></u>	The Integrated Nutrition, Hygiene, and Sanitation program will address selected health, food security, and climate change priorities in Cambodia. The program aims to improve the nutritional status of mothers and children under 23 months of age by improving Cambodians' diets and increasing their access to clean water and sanitation facilities. The program will fund a conditional cash transfer and voucher program that encourages the use of water purifying and sanitation products. With Climate Change Adaptation funds, the program will build community level resilience to safe water and sanitation practices. The program will introduce community-based nutrition counseling through behavior-change communication	Save the Children

	activities and partner with the private sector to market latrines and water-treatment filters and commodities.	
<u>Horticulture Value-Chain Program</u> <u>Estimated FY2015 funding \$2,282,861</u>	This program that will build upon Cambodia's increased agriculture productivity over the last decade by establishing the necessary conditions for increased market participation and linkages, by: improving the governance and enabling environment to facilitate private sector agriculture investments; improving capacities for market participation, particularly by strengthening producer associations; and expanding market linkages in selected horticulture and rice value chains.	To be determined (TBD)
<u>Rice Field Fisheries Enhancement II (RFFE)</u> <u>Estimated FY2015 funding \$1,200,000</u>	The new Rice Field Fisheries Enhancement II Program will significantly expand its outreach and mandate in developing and supporting sustainable management practices for freshwater fisheries. Research-based best practices will be used on a large scale to increase biodiversity and enhance the productivity of Cambodia's freshwater fisheries. Activities include enhancement of CFRs and surrounding rice fields and channels through physical upgrading of the resource and additional structures to increase productivity and maintain conservation, CFR productivity and Catch & Consumption Monitoring to fully understand the benefits of the interventions, training and awareness-raising workshops, and communication material development. The program will develop sustainable management practices for freshwater fisheries. Research-based best practices including enhancement of community fishing areas and physical upgrading will be used on a large scale to increase biodiversity and enhance the productivity of Cambodia's freshwater fisheries.	WorldFish
<u>Sustainable Intensification Innovation Lab - Center of Excellence for Agriculture Research</u>	In partnership with the Royal University of Agriculture, the Sustainable Intensification Lab will establish a Center of Excellence to increase the research and institutional capacity of the Royal	Kansas State University/Royal University of Agriculture

<p><u>and Capacity Building</u> <u>Estimated FY 2016</u> <u>funding \$500,000</u></p>	<p>University of Agriculture. The project will provide opportunities to obtain their doctorate degrees, research collaboration between U.S. universities, develop and improve curricula, and increase collaboration and coordination between the existing Innovation Labs and other USAID programming. Other activities under this program include establishing field demonstration sites to promote research and vocational training in the field.</p>	
<p><u>Impact Evaluation and Capacity Building Program</u> <u>Estimated FY2015</u> <u>funding \$200,000</u></p>	<p>The new Impact Evaluation and Capacity Building Program will implement an impact evaluation of food security programming as well as train local professionals to conduct impact evaluations and field based research. The objective of this program is expected to be similar to the current program, which aims to ensure FTF-funded activities are on track to meet high-level indicator targets. The implementer is expected to establish partnerships with key local research and policy institutions to execute these activities and build the local capacity for conducting evidence-based evaluations.</p>	TBD
<p><u>Capacity Building of Cambodia's Local Organizations Program</u> <u>Estimated FY2015</u> <u>funding \$130,000</u></p>	<p>The Capacity Building of Cambodia's Local Organizations program will directly support local Cambodian organizations. The program will support the development of new partnerships with local organizations and strengthen the skills of existing partners across all technical sectors. The program will help local organizations improve their financial management and human resource systems, develop strategic and operational plans, and strengthen their monitoring and evaluation systems. This program will also support USAID in implementing risk-mitigation procedures through pre-award assessments of potential local organizations and financial reviews of current partners.</p>	IESC

B. Additional Support

This Amplified Description may be changed upon written consent between Ministry of Agricultural, Fishers and Forestry (MAFF) and USAID to, among other things, add

additional activities without formal amendment of this Agreement, provided that such changes are within the limits of the definition of the Objective in Section 2.1.

VI. Program management

All activities will be designed in coordination with the relevant RGC counterparts and with appropriate consultations with stakeholders. Program design will include a provision for a management structure, chaired by MAFF or co-chaired by MAFF and USAID that will, inter alia, endorse an annual work plan and budget and monitoring of the program activities.

VI. Roles and Responsibilities of the Parties

A. Ministry of Agriculture, Fisheries and Forestry

MAFF will serve as the RGC lead partner for USAID in the implementation of activities, including, but not limited to the inter-ministerial and inter-departmental coordination, provision of competent technical staff and provision of workplace for the staff. Consistent with the laws of the Kingdom of Cambodia and the policies and procedures of the Royal Government of Cambodia, MAFF will:

1. Facilitate the official approval at all levels necessary within the RGC for implementing program activities.
2. Facilitate the necessary documentation, if required, for USAID implementing partners to carry out the work described herein.
3. Coordinate communications with the appropriate RGC authorities that the activities of USAID implementing organizations should receive support to carry out the work described herein.
4. Oversee program activities and participate in the site visits from time to time.
5. Participate in the monitoring and evaluation of the projects.
6. Facilitate the official permits, visas, and any other permissions described in Article 6 of the Agreement.
7. Facilitate the exemptions described in Section B.4 of Annex 3.
8. Undertake other activities as required by the program.

B. USAID

In achieving results of this Agreement, USAID will:

1. Provide, through USAID implementing organizations, appropriate technical assistance to implement the program.
2. Contribute towards the achievement of the RGC strategies.
3. Share consolidated reports on program activities to the MAFF as appropriate and that other relevant documents and information produced by the program be provided to the MAFF on a timely basis.
4. Consult with the MAFF and other relevant RGC entities at regular, mutually agreed upon intervals, or at the request of the RGC, on progress towards the achievement of the: a) program's objective; b) performance of obligations under this Agreement; and c) performance of USAID implementing organizations, and other matters related to this Agreement.

5. Participate and contribute to the food security and agriculture related TWGs and their sub-TWGs and all other TWGs as appropriate.

VII. Monitoring and Evaluation

Routine monitoring will focus largely at the implementing mechanism level and track required indicators. USAID's implementing partners will use their own monitoring and evaluation systems to regularly collect data against these indicators. Given that there are multiple implementing mechanisms under this Agreement, USAID will ensure that all are working to achieve the complementary objectives and contribute to both technical areas and the RGC's Joint Monitoring Indicators. Indicators, baselines and targets should, as far as possible, be drawn directly from RGC's own results frameworks and policy objectives.

VIII. 1994 Framework Bilateral

All assistance provided under this Agreement by USAID and its implementing organizations shall be entitled to all diplomatic, tax and other privileges and benefits set forth in the Economic, Technical and Related Assistance Agreement between the Government of the Kingdom of Cambodia and the Government of the United States of America dated October 25, 1994.