

DOAG Annex 2: Environment Amplified Description

I. Introduction

This annex describes the environment 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, reduce deforestation and help Cambodia maintain its Greenhouse Gas Inventory.

II. Background

Cambodia's rich biodiversity results from having some of Southeast Asia's largest tracts of forest and the largest inland body of water in the region, namely the Tonle Sap River and Lake. Some of the largest areas of tropical forests in Cambodia include the Prey Lang forest, the Central Cardamoms forest, and the Eastern Plains forests in Mondulkiri province. These forests contain biologically unique landscapes, are areas of significant cultural heritage, provide critical water control for agriculture land and fisheries, moderate the impact of droughts and floods, and are home to some of the poorest Cambodian households. The Mekong and Tonle Sap river system is the second most biodiverse inland water system in the world, second only to the Amazon. The key ecological services provided by forest watersheds such as water production, carbon sequestration, and fertile soil are still undervalued. In Cambodia, increased pressure on forest and river resources continue to threaten endangered species, including elephants, clouded leopards, banteng wild cattle, and Asiatic black bears. Rapid human expansion into biologically sensitive areas is putting pressure on the remaining natural habitats supporting these and other rare species that are of local, national, and international importance. In addition, Cambodia faces some of the highest rates of deforestation in the world from land-use change and illegal logging. Cambodia's forests and watersheds are critical to Cambodia's national development, to sustainable economic growth, and to protecting its rich biodiversity.

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 2014-2018 NSDP, with the objective of promoting development effectiveness in Cambodia through a wide range of partnerships.

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

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)



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 environment issues, USAID actively participates in the following Technical Working Groups (TWGs):

- Forestry Reform.

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 \$26,630,140 in new environment 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 environment programs.

The RGC contribution reflects the Ministry of Environment’s 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. \$1,404,992 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
Environment	4,214,977	10,230,000	10,230,000	24,674,977
Sub-total:	4,214,977	10,230,000	10,230,000	24,674,977
Administration Cost:	415,163	770,000	770,000	1,955,163
Total Estimated USG Contribution	4,630,140	11,000,000	11,000,000	26,630,140
Total Estimated RGC Contribution	1,404,992	3,410,000	3,410,000	8,224,992

IV. Results to be achieved

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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:

- Sustainable forest management and conservation contributed to poverty alleviation and macroeconomic growth (2014 – 2018 Joint Monitoring Indicator TWG-Forestry).

Relevant *illustrative* indicators under include:

- 2.2 million hectares of biological significance and/or natural resources under improved natural resources management as a result of USG assistance; and
- 15 million metric tons of greenhouse gas emissions reduced, sequestered, and/or avoided.

V. **Activities**

All activities will align with the technical areas detailed below:

A. **Environment**

Forest conservation is critical to maintaining the forest watersheds upon which lowland agriculture depends. Thus, conserving existing forest resources is not at odds with improving existing agricultural lands and production, but is an essential part of it.

Improved forest conservation and governance will help mitigate climate change and encourage low greenhouse gas emission development. USAID supports the Enhancing Capacity for Low Emission Development Strategy (EC-LEDS) program by enhancing the capacity of the government and forest managers to manage forests sustainably; facilitating constructive dialogue among the government, civil society, the private sector, and communities; and, increasing opportunities for gaining equitable economic benefits from the sustainable management of forests. In addition, USAID will support the Royal Government of Cambodia to conduct its first National Greenhouse Gas Inventory and already supported the first National Census of Agriculture, both of which are expected to foster the government's ability to continue these key data collection systems. All EC-LEDS activities will be coordinated with the appropriate RGC institutions and will continue to build upon Cambodia's Climate Change Strategic Plan, the National Green Growth Road Map, the National Green Growth Strategy, the National Protected Area Strategic Management Plan (2016-2030), National Environment Strategy and Action Plan (2016-2023), National Biodiversity Strategy and Action Plan, Community Protected Area Strategic Plan (2016-2030), and the Environmental Code.

With GCC and Biodiversity resources, USAID is supporting one of the leading sub-national demonstration sites for Reduced Emissions from Deforestation and Forest Degradation (REDD+) activities in Monduliri province. While the sale of carbon credits may not happen in the immediate future, the Mission is working on a wide range of other activities that will increase economic benefits for Cambodians as an alternative to unsustainable land-use changes or illegal logging. USAID will continue developing non-timber forest product value chains, eco-tourism, piloting a community-based timber production forest, and using science-based studies to show the value of forests as they contribute to the Cambodian economy.

USAID's interventions will strengthen Cambodia's capacity to conduct carbon accounting, support carbon finance mechanisms, identify and take advantage of opportunities for revenue generation from carbon sequestration, and avoid emissions from deforestation. USAID's programs will strengthen the country's links to the global climate change scientific community. USAID will work closely with environment programs promoting climate mitigation and adaptation that are managed by USAID's Regional Development Mission to Asia (RDMA) in Bangkok and with the U.S. interagency.

USAID will continue to support studies on forests, non-timber forest products, watersheds, fish stocks, and other wildlife. Global Climate Change programming will also use state-of-the-art technology to analyze and monitor forest cover.

For all results, there will be an emphasis on ensuring the role of women as government and forest managers, their voice in government and civil society, and their ability to access opportunities as beneficiaries of "green growth" economic models.

Global Climate Change activities will also work across the agriculture and environment sectors to achieve results that foster adaptation to climate change on farms, within fisheries, and forest watersheds. For example, activities will need to consider potential impacts of heat and drought stress, seasonal flooding and tidal cycles on crop production as well as fish stocks, and techniques and policies related to these.

USAID will share information available to the public and the RGC in order to encourage evidence-based decision-making and constructive dialogue that will foster actions by all stakeholders to conserve biodiversity. In addition, USAID will continue to strengthen the ability of relevant ministries to improve the management of protected areas and combat threats to biodiversity. Cambodian laws, policies, and strategies that provide for the sustainable management of forests already exist and USAID programs are in line with these efforts.

USAID will continue to coordinate and leverage RDMA resources and other regional platforms in fostering greater conservation and management of Cambodia's natural resources.

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

<u>Activity Name</u>	<u>Description</u>	<u>Implementing Partner</u>
<i>Prey Lang and Cardamoms Landscapes Program Estimated FY2015 funding \$1,584,977</i>	This Landscapes program will build on previous experiences and work from other USAID and donor investments. This program will focus on improving the overall management of the Prey Lang and Cardamoms landscapes. Activities will target the sub-national level but will also include strategic investments at the national level with various ministries and institutions. This comprehensive program will focus on biodiversity conservation, strengthening the governance and policies	To be determined (TBD)

	related to the two landscapes, and increase sustainable economic growth within each landscape as well as into the extended landscape area toward the lake.	
<u><i>The Eastern Plains Conservation Program</i></u> <u><i>Estimated FY2015</i></u> <u><i>funding \$1,000,000</i></u>	Programs in the Eastern Plains Landscape will continue to build on U.S. investments and lessons learned from previous activities. Activities will focus on the improved management of the Eastern Plains with a range of appropriate activities taking place at the sub-national level along with strategic investments at the national level with various ministries and institutions. The focus will continue on biodiversity conservation, strengthening the governance and policies related to the Eastern Plains, and increase sustainable economic growth at the sub-national level. The economic benefits of protecting the Eastern Plains will be raised to a national level.	TBD
<u><i>Environment Code Program</i></u> <u><i>Estimated FY2015</i></u> <u><i>funding \$1,500,000</i></u>	USAID/Cambodia anticipates co-funding the UN Development Programme's new initiative to develop Cambodia's environmental code. The program also aims to strengthen policy coordination and the institutional framework for sustainable natural resource and ecosystem management. Activities will build the resilience of poor rural households and indigenous peoples whose well-being and livelihoods are vulnerable to the degradation of critical ecosystems, loss of biodiversity, and the consequences of climate change. The program will leverage respective policy and institutional development work with a focus on climate change adaptation in agriculture and rural livelihoods and climate change policies, along with the ongoing Ministry of Environment modernization effort.	UNDP
<u><i>Capacity Building of Cambodia's Local Organizations Program</i></u> <u><i>Estimated FY2015</i></u> <u><i>funding \$130,000</i></u>	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	IESC

	<p>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>	
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B. Additional Support

This Amplified Description may be changed upon written consent between Ministry of Environment (MOE) 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 MOE or co-chaired by MOE 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 Environment

MOE serves 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, MOE 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 MOE as appropriate and that other relevant documents and information produced by the program be provided to the MOE on a timely basis.
4. Consult with the MOE 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 environment 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.